

JPRS 82767

31 January 1983

Near East/South Asia Report

No. 2700

FBIS FOREIGN BROADCAST INFORMATION SERVICE

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NEAR EAST/SOUTH ASIA REPORT

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CONTENTS

REGIONAL AFFAIRS

INTERNATIONAL AFFAIRS

- Critic Condemns Egypt-Sudan Integration Scheme
('Abdallah al-Safi; AL-DUSTUR, 15 Nov 82) 1

ARAB AFRICA

ALGERIA

- Algerian-French Relations Examined
(Rashid Khashanah; AL-NAHAR AL-'ARABI WA AL-DUWALI,
20-26 Dec 82) 5

EGYPT

- Aspects of Anti-Israel Campaign
(AL-SHA'B, 14, 21 Dec 82) 8
- Public Opinion Poll Against Israel, by Majdi Ahmad Husayn
Public Opinion Poll Ending
Israeli Academic Center Should be Closed
- Lawyers' Leader Calls for Repudiation of Al-Sadat Legacy
(AL-AHALI, 8 Dec 82) 15
- Progress in Integration With Sudan Described
(AL-AHRAM, 22 Dec 82) 18
- Ill-Gotten Gains Agency's Work Examined
(Khamis al-Bukri; AL-AHRAM, 19 Dec 82) 19
- Technical Military School Inaugurated
(AL-AHRAM, 12 Dec 82) 24

Opposition Wants Socialist Prosecutor, Values Court Abolished (Jamal 'Abd al-Sami'; AL-AHRAR, 6 Dec 82)	26
Proposals To Increase Savings of Egyptians Working Abroad Discussed (Nabil Sabbagh; AL-AHRAM AL-IQTISADI, 29 Nov 82)	30
Egypt's Bread Problem Discussed (Kamal Jaballah, Umaymah Kamal; AL-AHRAM AL-IQTISADI, 13 Dec 82)	38
Minister Criticizes Tax-Free Zone (THE EGYPTIAN GAZETTE, 17 Dec 82)	50
Committee Formed To Rationalize Consumption (THE EGYPTIAN GAZETTE, 21 Dec 82)	51
Decrees To Promote Investment Adopted (THE EGYPTIAN GAZETTE, 24 Dec 82)	52
Marked Drop in Government Debts (THE EGYPTIAN GAZETTE, 3 Jan 83)	53
Increased Industrial Output Noted (Hafez Fayed; THE EGYPTIAN GAZETTE, 4 Jan 83)	54
Trade Ties With Romania Boosted (THE EGYPTIAN GAZETTE, 19 Dec 82)	55
Editorial Condemns Contaminated Food Sales (Editorial; THE EGYPTIAN GAZETTE, 4 Jan 83)	57
More Control on Food Imports Imposed (THE EGYPTIAN GAZETTE, 12 Dec 82)	59
Public Export Firms Lose Trade (THE EGYPTIAN GAZETTE, 17 Dec 82)	60
Plan To Reorganize Port Said Discussed (THE EGYPTIAN GAZETTE, 31 Dec 82)	62
Writer Reviews Brick Shortage, Solution ('Abd-al-Karim Ya'qub; AL-AHRAM, 22 Dec 82)	63
Briefs	
FRG Aid	67
National Family Planning Campaign Soon	67

LIBYA

Study Indicates Possibility of Self-Sufficiency in Marble, Tile Production (AL-MUNTIJUN, 4 Dec 82),.....	68
--	----

SUDAN

Sudan's Debts Between Six and Eight Billion Dollars (AL-MAJALLAH, 13-19 Nov 82)	73
Economic Slump Worsens (AN-NAHAR ARAB REPORT & MEMO, 6 Dec 82)	76
Problem of Illegal Immigration, Forging of Passports Detailed (AL-SAHAFAH, 24 Oct 82)	82

TUNISIA

Deputies Debate Draft of 1983 Budget (LA PRESSE DE TUNISIE, 20 Dec 82)	86
Administrative Reforms Called For Reforms and the Economy	
Minister Discusses Forthcoming Administrative, Civil Service Reforms (LA PRESSE DE TUNISIE, 20 Dec 82)	94
Minister Discusses Hiring, Training, Promotion of Engineers (Sadok Ben Jomaa; DIALOGUE, 13 Dec 82)	97

ARAB EAST/ISRAEL

BAHRAIN

Establishment of Stock Exchange Underway (AN-NAHAR ARAB REPORT & MEMO, 13 Dec 82)	102
--	-----

ISRAEL

IFD Governor of Hasbaya Interviewed on Relations With Druze (Yanon Shenkar; BAMAHANE, 20 Oct 82)	104
---	-----

KUWAIT

Stock Market Collapse Discussed; Effect on Bahrain (ARAB BANKING AND FINANCE, Dec 82)	110
Statistics on Labor Force Cited (AL-SIYASAH, 2 Dec 82)	114

LEBANON

Ill Effects of Israeli Invasion Summarized (AL-NAHAR AL-'ARABI WAL-DUWALI, 20-26 Dec 82)	119
Government Announces New Army, Security Changes (AL-NAHAR AL-'ARABI WAL-DUWALI, 13-19 Dec 82)	121

PALESTINIAN AFFAIRS

Reorganization of PLO Deemed Essential for Palestinian Cause (Sabri Jiryis; SHU'UN FILASTINIYAH, Aug-Oct 82)	122
---	-----

SOUTH ASIA

AFGHANISTAN

Soviet Motives for Intervening in Afghanistan Criticized (Editorial, Ergun Balci; CUMHURIYET, 9 Jan 83)	130
Economic Conditions Reported Deteriorating (KAYHAN INTERNATIONAL, 30 Dec 82)	133
Kabul Paper Blames Resistance for Electricity Shortage (BAKHTAR, 18 Jan 83)	134

IRAN

Superpowers' Plot To Divide Kurdistan Foiled, Says Musavi (TEHRAN TIMES, 28 Dec 82)	135
Foreign Ministry Official Responds to Questions at Press Conference (ETTELA'AT, 18 Oct 82)	136
Leaders Praise Work of International Prayer Congress (Editorial, Abdullah; KAYHAN INTERNATIONAL, 29 Dec 82)	141
Khomeyni Warns Against Countermoves to Islamic Justice (TEHRAN TIMES, 29 Dec 82)	144
World Islamic Assembly Should Be Formed, Says Meshkini (TEHRAN TIMES, 3 Jan 82)	147
Unity Week Conference Adjourns, Issues Communique (TEHRAN TIMES, 4 Jan 83)	148
Future of Persian Gulf Belongs to Islam (TEHRAN TIMES, 3 Jan 82)	150
Guards Commander Discusses Internal Security (TEHRAN TIMES, 30 Dec 82)	151
Defectors Join Mujahedin in Attack on Soviet Airfield (KAYHAN INTERNATIONAL, 30 Dec 82)	153
Iranian Delegation Continues Mission on Ties With African Nations (TEHRAN TIMES, 28 Dec 82)	155
Appeal to Imam for Iraqi Moslem's Rescue (TIMES, 28 Dec 82)	156
Imam Sadeq University Inaugurated (Ayatollah Mahdavi-Kani; KAYHAN INTERNATIONAL, 3 Jan 82)	157
Chief Justice Discusses Changes in Supreme Court, Lower Courts (ETTELA'AT, 19 Oct 82)	158

Majlis Ratifies Land Distribution Bill (TEHRAN TIMES, 29 Dec 82)	161
---	-----

PAKISTAN

Ways To Close Widening Trade Gap Suggested (ECONOMIC REVIEW, Dec 82)	162
Zia's Foreign Visits--Satisfaction Expressed (Editorial; MORNING NEWS, 5 Jan 83)	166
Recent Export Performance Examined (Yousuf Zia; ECONOMIC REVIEW, Dec 82)	169
Terminal II Collapse--People Responsible To Be Prosecuted (MORNING NEWS, 31 Dec 82)	173
Additional Road Planned From Karachi To Peshawar (MORNING NEWS, 5 Jan 83)	174
Briefs	
Hijackers Sentenced in Absentia	175
Plea for Leader's Release	175

CRITIC CONDEMNS EGYPT-SUDAN INTEGRATION SCHEME

London AL-DUSTUR in Arabic No 260, 15 Nov 82 pp 21, 22

[Article by 'Abdallah al-Safi: "The Egyptian-Sudanese Integration Charter: Reality and Fantasy"]

[Text] The basic premise we must consider in evaluating the Egyptian-Sudanese integration compact of necessity bears on the cause of Arab unity and rejection of the fragmentation that colonialism fabricated. The charter between Egypt and the Sudan was signed in Khartoum last 12 October. It contained three chapters. The first of these concerned principles and goals and dealt with joint activity in the foreign field and national, social, economic and financial security, while the second enumerated the institutions of integration - the Higher Integration Council, the Nile Valley Parliament, and the Integration Fund - and the third contained general and concluding provisions.

Apart from the noisy articles which journalists of the two regimes have written, and apart from the exaggerations these articles have contained, whose writers tried to delude their readers and prepare them for miracles - some of them, in addition, having failed to forget how to attack unificationist thinking in the Arab revolutionary movement in pitiful biased style and having not even imposed on themselves the hard task of learning about unificationist thinking in the Arab revolutionary movement, or even of carefully and conscientiously reading the integration charter which was signed, and having proceeded to embellish the articles in al-Sadat's profuse manner of speaking - apart from all that, we will deal with the subject of economic integration, and the charter which was signed on it, with an objectivity and calm that is aimed at the mind, not the emotions, of the citizens in the Sudanese and Egyptian nations, respecting and appreciating human intelligence and not treating it like an empty vessel that can be filled with slogans and words but cannot really assimilate them or discuss them consciously and perceptively. We hope we will be successful in this, and we will herewith present some preliminary observations:

The first observation is that the process of integration, and the process by which the charter on it was signed - like the process of the signing of the common action platform between the two countries in 1974 - took place in isolation from mass struggle and was restricted to the official context.

The second observation is that the integration is occurring in the framework of the bond the regime in Egypt has with the Camp David agreement, which opened Egypt up to Zionist capital and products, and it threatens to spread these into the Sudan.

The third observation is that the integration is taking place in the context of the liberalization policy and consequent economic and political subordination to international monopolies and multinational corporations.

The fourth observation is that the integration is occurring in circumstances in which there is no democracy, progressive nationalist and patriotic forces are being persecuted, and elements are dominating the institutions of government which are mutually contradictory in their orientations and possess a primitive understanding of Arab unity and integration.

The fifth observation is that the integration is occurring in the context of circumstances in which the volume of exports and imports to and from Arab countries represents a trivial share of the economy of the two countries, which means that integration will assume a course which is contradictory to the interests of the unificationist approach.

The sixth observation is that the integration is occurring in the context of Egypt's alienation from Arab ranks as a result of Anwar al-Sadat's signing of the treasonous Camp David agreement, and that, of necessity, is leaving its imprint on this integration and turning the talk that the agreement is open to any Arab country that wants to join it into a sort of honey-coated language which is not based on any realistic grounds.

The seventh observation is that the integration is occurring in the context of the pursuit of the road to capitalist development in the two countries, at a time when the masses are suffering from an intensifying economic crisis and are being faced with exploitation and fraud from bureaucratic and parasitic bourgeois groups, putting integration and its institution in the grip of these groups, which will consecrate these institutions to the service of their interests, which are incompatible with those of the masses.

The eighth observation is that the realistic approach to integration is to create rapid, balanced development on sound national and domestic grounds, with national participation in financing. This of necessity will require a clear national policy that involves commitment to the goals of the national struggle by the two regimes and strong, firm Arab relations — something which is not yet present.

The ninth observation is that there is a difference in the political systems and mentality prevailing in the political system in the two countries, which makes action common to both and what has been called the gradual shift to full political unity in 10 years a dubious matter.

The 10th observation is that the notion of relations between Egypt and the Sudan and the talk about their historic roots, are fragmentary and alienated from the basic relationship of which the relations between Egypt and the Sudan represent a part, namely, the nationwide relations that link up the various countries of the Arab nation and unify their masses within the Arab nation.

The question is, in whose interests is integration being carried out? If the answer is that it is in the interests of the masses in the two countries, we wonder why these masses have not had a role in struggling on its behalf, why their latent powers have not been unleashed, and why the integration has been

met with by such a degree of frigidity, so that it has been confined to the context of official statements and articles whose writers are accustomed to praising every step that is taken, whether negative or positive. This time also their articles have assumed an empty, vacant, short-winded style and they disappear quickly from the newspapers, just like bubbles of air or soap.

The answer to this question indicates where the source of the ailment lies. The masses, spontaneously through their own feeling, realized in 1974, and realize today, that the integration whose charter was signed, as was the charter of the common action platform, will not realize their demands and has not been guided by their interests. It was signed after al-Sadat had annihilated all the progressive economic and social achievements made in the era of 'Abd-al-Nasir and began to give indications that the policy of economic liberalization and the link with the American imperialist circles were in the offing. It was also signed after the regime in the Sudan had completed its abandonment of all the steps and slogans that had exuded a progressive aroma and was pursuing the path of capitalist development. The integration charter is being signed today, now that the liberalization policy and the road to capitalist development have become a platform in the two countries, and the monopolistic multinational corporations, especially the American ones, are proceeding to plunder the wealth of the two countries, increasing the tight bonds of their domestic economies to the wheel of international imperialism with every day, and miring them further in foreign loans and debts, which have not led to the establishment of any productive economic development projects or institutions in either of the two countries but have, contrary to that, led to a further immersion in debts, further wretchedness for the masses, and further World Bank and the International Monetary Fund conditions aimed at reducing the value of the currency in the two countries, removing subsidies on basic consumer goods, and adding to the taxes, whose burden is borne by the toiling members of the people in both countries. This economic platform which the two countries are pursuing, which is increasing the gap that divides the capitalist parasitic classes connected to the international monopolies (which represent a narrow group in the two societies and have started to amass millions and spread and disseminate the poisons of economic and social corruption in the two countries) from the masses, who are constantly becoming poorer and whose rates of emigration and flight from this bitter economic situation, is a manner unprecedented in the history of the two countries, is radically in contradiction with the interests of the masses and their aspirations for development and confrontation with economic and social backwardness.

The masses of our people in the two countries, the Egyptian and the Sudanese, have continued to observe the common action platform that was signed in 1974 - whose result in the course of 8 years, if we exclude security integration between the two regimes, has been a single project whose construction has fallen behind, and whose costs have multiplied about 10 times over, that is, the Jonglei Canal project, in addition to a bureaucratic system, integration committees, and joint meetings which are concluded only to meet again, although their sessions have yielded no benefit or fruits worth mentioning.

Some writers are trying, out of artificial glibness, to delude one into believing that integration, and the integration charter, are a new stage in realistic unificationist thinking. They never cease to cite Western models as evidence. This time they are citing as evidence the economic model of the European Common

Market, which Arab countries must emulate, and from which the integration charter between Egypt and the Sudan was derived. We do not intend to get into a theoretical debate with these writers here, but we will point out that they are ignoring a basic fact, which has not been absent from the minds of the masses of the people in the two countries who are greeting integration with such coldness, and that is that the economies of the two countries, like the economies of other Arab countries, and all countries that were subjected to colonial dominance, are economies that were formed to respond to the demands of the international capitalist market, and not to the requirements of the masses in the two countries, and therefore that all economic integration must be started by liberating the economy from subordination to the world capitalist market and then reforming it in a manner that will respond to the needs of the masses. Economic integration between these two countries and other Arab countries should be aimed at eliminating backwardness and economic paralysis and providing a base, resources, and a market for development and the fruits of development. Therefore, the basic elements that determine the platform of development cannot be ignored — in fact, they are necessary and basic if one is to determine whether integration is responding to the ambitions of the masses or is proceeding contrary to them.

In this regard we must remember how the slogan of the unity of the Nile Valley and the two peoples' struggle ignited the enthusiasm of the masses in the twenties of this century and paved the way for the defeat of colonialism and the monarchy and the liberation and independence of the two countries, and how the 1958 union between Syria and Egypt fired the enthusiasm of the Arab masses in all countries of the Arab nation.

Regardless of the fact that the slogan of the unity of the Nile Valley was not achieved and the 1958 unity collapsed — the reasons for which we have no room to broach here — the fact which one cannot doubt is that the secret of the enthusiasm of the masses lies in the fact that the slogan and the step toward union in 1958 were based on anticolonial notions and a repudiation of the interests of colonialism in favor of those of the masses.

For this reason, the masses have accepted the integration charter coldly, because they have not felt that it was their doing, and they have not felt or sensed that it was guided by their interests, nor have they found in it or in its three chapters a real way out of their bitter economic situation and the economic crisis which is gripping them by the throat.

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CSO: 4504/136

ALGERIAN-FRENCH RELATIONS EXAMINED

Paris AL-NAHAR AL-'ARABI WA AL-DUWALI in Arabic No 294, 20-26 Dec 82
pp 27-28

[Article by Rashid Khashanah: "Socialist Honeymoon, Algerian Workers Not Allowed to Enter"]

[Text] President Chadli is the first Algerian president to visit Paris since Algeria's independence in 1962. However, this summit is the fourth since Francois Mitterrand assumed the French presidency, which is confirmation that the "socialist honeymoon" between Paris and Algiers still exists. A year after the visit of the French president to Algiers, the Algerian president has gone to Paris to return the visit to the resident of Elysee, and to open with him matters that were studied at the Algiers meeting last year, some of which have entered the implementation stage, after having been only plans on paper.

The Algerian capital had never before received French ministers with such intensity as it has since the visit of Mitterrand to Algiers. The first item that the Algerians reaped from these visits was the signing of a large gas deal, after a dispute that had continued since February 1980. It is a deal that both the Algerians and the French consider to be a model agreement that could reverse the traditional image of international trade. The French ministers' visits to Algiers continued. Gaston Defferre, the minister of the interior, came to discuss the matter of restoring the documents of the revolution to their owners. At that time, the French minister promised that he would request his government to expedite ratifying an agreement with Algeria regarding this problem. There is no doubt that this matter will be broached between the two presidents in the Elysee meeting. In his conversations with senior Algerian officials, including President Chadli, Defferre discussed the situation of Algerian workers in France. He emphasized that his government would issue legal provisions to put the emigre worker on the same level as his French counterpart. This problem constitutes a delicate issue with respect to friendly French-Algerian relations, especially after the restrictions that the French decided to impose upon the entry of Arab Magrebi citizens into French territory. These measures will harm Algeria before any other country, because the number of its citizens in France totals about one million. The Algerians raised a media fuss when the organization of Algerians in Europe, which is

watched over by the ruling Liberation Front Party, published statistics about the number of Algerians who were denied entry into French territory during the first 10 months of the current year. These numbered some 16,000 persons which, as the Algerians say, is a record that was not even set in the blackest period of deteriorating Paris-Algerian relations. The Algerian government opted to express its position regarding the new French measures in two ways, both of which were calculated not to disturb the confidence in the socialists. The first was unofficial and was the announcement of the Algerian organization in Europe. The second was through diplomatic channels. High governmental sources told AL-NAHAR AL-'ARABI WA AL-DUWALI that "despite the intensity of secret diplomatic contacts that the Algerians have been making to urge the Socialists to retract the measures that they enacted and have been quick to implement, the number of those barred from entering French territory has continually increased."

Nuclear Cooperation

The other matter that Presidents Chadli and Mitterrand will discuss is the nuclear installations that Paris is determined to sell to Algiers. They are the same type of facilities that France sold to Iraq. In its first stage, the project represents the construction of two nuclear research stations in Algeria. At the present time, there is a team of Algerian experts in France to train on installing these facilities. This nuclear cooperation is a part of other economic cooperation agreements, which confirm the fact that the Algerians have begun to have a close international position with the French in terms of establishing a special relationship. This Algerian gamble on the French Socialists is evident in the fact that firms from the French public sector are charged with building huge economic projects, such as the Algiers metro, expanding the Constantine airport, building a school for civilian pilots, laying new railroad lines, and building 60,000 residential apartments.

The French and Algerians, during meetings of the joint committee in Paris last October, drew up the final draft of the agreement pertaining to construction of the first stage of the Algiers metro system, the cost of which is estimated at 80 billion French francs. The French minister of Transportation and Communications, Charles Fiterman, went to Algiers at the beginning of last month, to sign this agreement with his Algerian counterpart.

No sooner had Fiterman left Algiers than the French minister of cooperation, Jean-Pierre Cot, arrived to meet with a number of Algerian ministers and to delineate new areas for economic and technical cooperation, preparatory to the meeting of the joint Algerian-French committee, which will be held in the last part of this month.

The Algerians stress one important point in their new relations with France, and that is that most of the agreements are made between organizations belonging to the public sector. This is in harmony with the Algerian philosophy that considers cooperation between nations and not between private organizations as being the most convenient model for cooperation between north and south.

With respect to the Algerian side, there have been many official delegations that have visited France since the Chadli-Mitterrand summit. The most important was the delegation of Algerian parliamentarians, which was the first visit of its kind since Algerian independence. The Algerian parliamentarians met with the principal ministers in the French government, in addition to the parliamentary bloc in the French National Assembly.

Change of International Alliances

Does this rapid development in Algerian-French relations signify that the Algerians are interested in changing their international alliances? Those knowledgeable about the secrets of Algerian policy reject this possibility, citing some of the constant factors in Algerian foreign policy that have not changed, especially with respect to the Soviet Union and the United States. Regarding the Soviets, the friendly relations have not changed, although some coolness has been noted in recent years. With the Americans, there is still the line of rapprochement and accord that has continued since the Algerians played their well-known role in saving the American hostages in Iran. The striking point is that one of the most important foreign personalities to meet with President Chadli in Algiers, before he began his visit to Western Europe, was the American secretary of commerce, Malcolm Baldrich, who was accompanied by senior officials from the ministries of Foreign Affairs, Aviation and Agriculture, in addition to about 30 directors of private economic organizations who came to learn about investment possibilities in Algeria. This is proof that the Algerians are anxious to keep all their cards in one hand. This commitment with several international parties gives the Algerian president an important pressure card in his talks with Mitterrand about solving the pending issues in Algeria's favor. However, if the French are able to do something to restore some of the Algerian documents to their owners, they will not be able to offer any concession to the Algerians towards lifting the restrictions on the entry of workers into France, because any privilege in this area would stir up the other governments against the French Socialists, and would open the door to a series of concessions which would be difficult to shut off.

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CSO: 4504/126

ASPECTS OF ANTI-ISRAEL CAMPAIGN

Public Opinion Poll Against Israel

Cairo AL-SHA'B in Arabic 14 Dec 82 p 15

[Article by Majdi Ahmad Husayn, Majdi 'Izzat, Karim Mahmud and Ahmad al-Kanani]

[Text] Dr Muhammad Murad Ghalib, former Foreign Minister: I approve expelling the Israeli ambassador from Egypt and severing all relations with Israel. Our fundamental position since the very beginning has been to oppose the Camp David agreement because of its negative and destructive effect on the balances of power in the Middle East in favor of Israel, allowing it to become the dominant military force in the area and to impose its expansionist solutions and military, political and economic control on the Arab countries, supported by the strategic alliance with the United States. What has and is happening in Lebanon is proof of that.

Ahmad al-Khawahah, Dean of the Lawyers' Guild: I approve expelling the ambassador and severing relations because Israel cannot be a sincere party to a peace concluded with an Arab country because its establishment, philosophy and existence are based on seizure of Arab territory in order to encompass all Jews of the world. This has been the case since it was established and is the case now and has been its goal since the Hertzal conference. Its approach since the Balfour promise and its behavior since the establishment of the state of Israel show that it wants to wipe out the Palestinian people and to dominate the whole Arab homeland.

Muhammad Majdi Hassanayn, former ambassador: There is no argument about expulsion of the Israeli ambassador: this is a patriotic duty. Relations must be severed with Israel lest we allow these fanatic criminals to be present among our citizens. Israel is a racist state no different from South Africa.

Dr 'Abd-al-Muhsin Hamudah, engineer and advisor of the Egyptian Oil Company: Expulsion of the ambassador is the simplest way to show displeasure. I approve severing relations with Israel because normalization of relations means accepting Zionist penetration of our society and paving the way for transferring those relations to the other Arab societies at a time when experience, not taking just the long view, has shown how much the treaty has affected our sovereignty and will.

Dr 'Affaf Murad Mahfuz, member of the faculty of Halwan University: My answer is: This stems from my disapproval of the Egyptian-Israeli treaty and the Camp David agreements. The invasion of Lebanon has proven the soundness of reasons and justifications for rejection of that treaty by patriotic forces in Egypt.

Layla al-Jabbali, reporter on the newspaper AL-JUMHURIYAH: I approve his expulsion because I am against the Camp David agreements and so my point of view it is to be refused. I also approve halting normalization. With regard to severing relations, there is a difference between what I would like and the facts of things now since severing all relations is now unattainable. However, attempts to sever economic relations must continue because they are the relations in which the Egyptian masses participate.

Poet Ahmad Fu'ad Najm: I reply in the affirmative to the expulsion of the ambassador and severance of all relations with Israel because this racist entity called the state of Israel cannot accept a true peace in the area since it is an expansionist, colonial project which has been growing like a cancer since its establishment. Try to recall the boundaries of this entity in 1948 and then look at where they have now reached and will reach tomorrow.

Musa Jundi Ibrahim, economic editor of AL-AHRAM: I do not approve of the expulsion of the Israeli ambassador. Rather, I advocate a dialogue with him on the television screen and in the opposition and government press because he will lose more and Israel will lose more with the Egyptian man in the street. Generally I do not go along with expressions about "expulsion," "halting" and "severing" and the like. Rather I visualize raising the issue from a "non-rejectionist" approach. There is now a new stage in the Arab-Zionist struggle and one cannot ignore it or its essential elements. Rather what must be discussed is how to continue these elements and to better influence them.

Muhammad 'Abduh, former advisor: The Israeli aggressive policy is prompting the Egyptian people to reconsider the Camp David agreement and the consequent normalization of relations, including the exchange of ambassadors. This agreement must be reviewed by the legislative authorities. Perhaps Israel will awaken from its slumber for once in its history.

Dr Mahmud 'Abd-al-Fadil Husayn, Professor in the College of Economics and Political Science: Yes to expelling him because Israel is a state attacking Arab rights. Yes to halting normalization because there can be no normalization with Israeli aggression against Lebanon and the West Bank. Yes to severing relations because Israel has cut off all channels to establishment of a just peace in the Arab homeland.

How Long Will We Be Patient With Them?

Their shouts are warcries and they are invading aggressors. Begin does his shouting and Shamir tours in (Khayla') and old Navon says in a delusion: "We are the powerful masters." They say "no withdrawal" and we say "Peace." How long are we to be patient? Patience has been exhausted and years pass as if nothing has happened.

'Adil Mahmud Na'im Damanhur:

To End Egypt's Isolation

I approve expulsion of the Israeli ambassador and severing Egyptian-Israeli relations which have led to Egypt's Arab and pan-Arab isolation and which have made sure of a strong Arab front so that Israel could conquer other fronts. It struck the Iraqi nuclear reactor under the umbrella of normalization of relations and the Camp David agreements. It invaded Lebanon and engaged in massacres there. It threatens us from time to time with again invading the Sinai.

Egypt Refuses to Cooperate with Israel at the International Tourist Exposition in London

Nimat Muhammad Ibrahim, a Tanta merchant:

At the international tourist exposition in London, the Egyptian delegation refused to cooperate with the Israeli delegation. The head of the Israeli wing asked to build a bridge to the Egyptian wing called "the bridge of peace" but the head of the Egyptian wing refused the Israelis' request.

So That Israel Does Not Throw Us into the Sea

Fayizah Harshaw, Morocco, City of Silla

In the name of your always loving brothers from Morocco, I speak to the newspaper AL-SHA'B which expresses the hopes and true inner feelings of the people in Egypt. Before starting, I must say that there is one goal, that is, the general interests of the Egyptian people who are the symbol of Arab will at a time when the thread of Arab honor has almost been lost, when Muslims are killing their Muslim brothers as in Iraq and Iran, when they have killed Lebanon, have torn it asunder and wiped it out. Let we Arabs recognize that our slogan now should not be "We will throw Israel into the sea," but rather it should be "Don't give it the chance to throw us into the sea."

I support the idea of expelling the Israeli ambassador from the Egyptian capital. Gentlemen, let us not scream "Oh I wish we were not Arab." Great hopes are pinned upon Egypt. Let us begin by expelling the ambassador as a slap in the face of Israel which is stained with the blood of innocents.

Future Need

Sayyid Tawfiq, PhD in literature and philosophy: The presence of the Israeli ambassador in Egypt and the continued presence of an Israeli embassy in the heart of Cairo is a disgrace to Egypt which has always remained Arab and pan-Arab. Continued economic, cultural and political normalization between Egypt and Israel is unacceptable to the people and will be fruitful only to Israel which is attempting a cultural and economic penetration of Egypt's culture and economy. Severing relations with Israel is now an essential thing imposed by all essential elements of the future.

Countering Israeli Intransigence

Fahmi 'Ali Madkur, agricultural engineer at the Agricultural Research Institute:

I support expulsion of the Israeli ambassador from Egypt. This idea would express important steps in defining the course of relations between Egypt and Israel and put pressure on Israel to correct its point of view on how to deal with Egypt. Also, political, diplomatic and economic relations with Israel must be severed to counter Israeli intransigence in the problems it is creating, whether in Egyptian Taba, the autonomy talks, Lebanon or in Golan. Israel must be more aware of Egypt so as to deal with it on a sound basis if relations with Israel will reveal to the world the scale of the criminal acts it has committed. This ban on interaction must include all areas, particularly things involving food and agriculture. Egypt can supply everything it is importing from Israel by establishing its own projects and encouraging the young people to provide these things. Egypt has the capability for this. We should not let Israel imagine that we import some commodities from it because Egypt is unable to provide them.

Tariq Muhammad al-Mugharwi, al-Ziqaziq: First, I agree with expulsion of the Israeli ambassador. Second, I agree with severing political, diplomatic and economic relations with the state of the murderers and killers. This is not my opinion alone but the opinion of millions of people. I hope this bold, successful poll will continue until the views of other segments of the populace are published. Let us all stand shoulder to shoulder to expel the Israelis from our country.

Jabir Kamal al-Din, teacher at the Salah al-Din school, Mina al-Basl, al-Iskandariyah: After the savage massacres perpetrated by the forces of the Israeli invasion in Sabra and Shatilla, I suggest that the ambassador of the Israeli enemy be expelled in a net hung from a helicopter as they did with children and old men of our Palestinian and Lebanese brothers.

Ibrahim Salih 'Abd-al-Fattah, Cairo merchant: I say a hearty yes to the expulsion of the Israeli ambassador. I do not accept the Zionist entity's having an ambassador in Egypt despite the strike at the Iraqi reactor, the annexation of Jerusalem and the daily killings of Palestinian young people taking place in the occupied territory. Then I agree with severing all relations with the Zionists. We must wake up from our sleep lest this Israeli disease affect us. It is unthinkable for a believer to be bitten twice.

'Abd-al-hamid Ahmad Murad, Tanta: Can we forget June 1967 and June 1981, the Iraqi reactor strike, and June 1982, the invasion of Lebanon? Can we forget Dayr Yasin, Bahr al-Baqr, Lebanon and Sabra and Shatila?

'Umar Abu al-Nasr, Cairo: They killed the foundation at Sabra, spilling its blood on the ground. They killed it at Mina Hawis and killed it in Iraq. However, listen Jews, and listen people of the community, here in every home there are still men with their uniforms to defend the Virgin Shajarah al-Durr, Jamilah and Bilqis and who say: "God lives, God lives"

Public Opinion Poll Ending

Cairo AL-SHA'B in Arabic 21 Dec 82 p 5

[Text] Over the last four issues, we have published the responses of dozens of citizens of various segments of the population to two questions: Do you approve the expulsion of the Israeli ambassador and do you approve severing relations with Israel?

We are not going to continue publishing the views of public personalities in various positions and of citizens from various segments of the population since AL-SHA'B has gone on record with this position on the part of our populace with regard to Israel and its aggressive practices.

We believe that "In the beginning was the word." The populace has spoken through its representatives espousing various attitudes and through the average person. History [apparent omission] that conscious interactions come together between states and action and between words and reality, however long or short the time. The mass response to AL-SHA'B's poll has been transformed from a "journalistic topic" to a "political position." Consequently AL-SHA'B has decided to convert this journalistic investigation into a true sounding out of opinion or a mini-poll.

Last Date for the Poll

AL-SHA'B wishes to make clear to readers that the last date for sending their views personally or by mail will be 28 December 1982.

Israeli Academic Center Should Be Closed

Cairo AL-SHA'B in Arabic 21 Dec 82 p 5

[Article by Majdi Ahmad Husayn]

[Text] In al-Duqqi quarter in Cairo there is a yellow brass plate on a building on which is written in Hebrew, Arabic and English: "The Academic Center in Cairo." Inside reside six Israeli researchers. The center is managed by Prof Shimon Shamir.

The Israeli Arabic language newspaper AL-ANBA' describes the center as a "base" and it really chose the right word.

This center is the bitter fruit or one of the "accomplishments" of former President al-Sadat because it grew out of the cultural agreement he concluded in al-Iskandariyah with Begin 2 years ago on the same day that an issue of AL-SHA'B proclaiming the sad September massacre was confiscated. It was really an ironic twist of fate for the day to close the only outlet for the Egyptian nationalist opposition, the only "cultural" outlet not under the control of the authorities, to be the same day a cultural treaty was signed with Israel.

Goals of the Center

The goals of the center were defined by the protocol which was signed in Cairo at the beginning of this year by the Israeli ambassador, Moshe Sason, and the director of the department of foreign cultural relations in the Foreign Ministry, stating that the center would be "a channel for communications between Egyptian and Israeli educational and scientific institutions" and that "it watch over study and research into fields of education, science, culture, technology, archeology and history." In other words, it would be a center specializing in almost everything, something suspicious for a center beginning with six researchers.

Ways to Accomplish the Objectives

- Hosting and assisting Israeli citizens enjoying scholarships and visiting scientists residing in Egypt for study and research with the understanding that there would be a maximum of 15 persons at any one time.
- Providing information and assistance in the academic field to Egyptian citizens who wish to go to Israel for study and research.
- Making the necessary arrangements with the Egyptian authorities concerned to enable visiting Israeli scientists and researchers to pursue their studies and research in suitable academic institutions, archives, libraries, museums, etc., in Egypt.
- Holding classes for visiting scientists and researchers and making opportunities available to them to meet and cooperate with Egyptian scientists and researchers. Israeli Prof Shamir, director of the center, boasts that this center is not a "cultural center" like those of most embassies in Cairo for showing films, holding expositions, organizing lectures, setting up libraries, etc., but rather is "an academic center" matched only by 10 centers in Cairo.

Shamir stress that the war in Lebanon has not affected the status of the center which "has established a firm foundation over the past 4 months and is successfully engaged in its business."

Unlike other academic centers in Cairo which are mostly interested in antiquities, the Israeli center is interested in all scientific fields, economy, medicine, agriculture, antiquities, Islam, Arab studies and any new developments.

Israeli Prof Shamir acknowledges that many Egyptian scientists have no desire to establish any connections whatsoever with the center and that some of them publicly criticized it when it was first inaugurated but he points out that there are others who express willingness to cooperate. He also acknowledges that all contacts are at the personal level and take place either in private homes or at the center. He stated that the center had sent "Egyptian students" to get doctorates in Israel. Shamir ended his interview with the Israeli newspaper AL-ANBA' by saying: "We have come as seekers of knowledge, not as

cultural imperialists as alleged by the opposition." However, how could people like you come as seekers of knowledge with no cultural imperialism. When was culture separated from the prevailing dogma and from official policy of the state? A state which is committing aggression, massacres and expansion and holding to the racist Zionist ideology will produce only a racist culture. Our scientists and intellectuals must study it in their own way as has been done by the Palestine research center in Beirut which takes up arms against "seekers of knowledge like Prof Shamir."

8389

CSO: 4504/135

LAWYERS' LEADER CALLS FOR REPUDIATION OF AL-SADAT LEGACY

Cairo AL-AHALI in Arabic 8 Dec 82 p 8

[Article: "Nabil al-Hilali, at the Wednesday Symposium in Cairo: A National Salvation Front Is a National Necessity"]

[Text] Front activity occupies a position of the utmost seriousness and importance on the map of national action in Egypt today, since it is a road toward the real change which the masses are aspiring to and will achieve only through a broad, organized struggle. Because of this significance, the Grouping Party invited Ahmad Nabil al-Hilali, a member of the legitimate board of the Lawyers' Union, to its last Wednesday Symposium. There he spoke about the importance of front activity, the need for it and the basis of it in this stage.

Nabil al-Hilali stressed that front activity is a form combative activity that arises from and is supported by the overall common struggle and that front activity has always been included in our people's agenda, throughout their modern history — for example, the Committee of Students and workers in 1946 and the Popular Resistance Committees in 1951." Shortly before the September 1981 measures, the belief that it was necessary to unify the national democratic forces had reached its peak.

They Assassinated Al-Sadat, but Al-Sadatism Remains

Al-Hilali said, "Events have proved that all the promises that a new leaf has been turned do not justify crossing the issue of a front off our agenda. Before the national democratic revolution resumes its course, it must first be delivered from its unfortunate state. Al-Sadat derailed and overturned the train of national revolution. No single detachment has the strength to deliver the nation from its struggle in order to face the dangers hovering over Egypt. We have learned the lesson of the hour, which is that although bullets assassinated Anwar al-Sadat they failed to assassinate 'al-Sadatism.'"

After al-Hilali had stated that front activity assumes numerous stages and types, he stressed that he would restrict his statement to the National Salvation Front, whose formation the Grouping Party called for in 1981, and which other national forces took part in calling for. He stressed that did not mean ignoring or disparaging any front that more general than that. He went on to say, "The mission of the National Salvation Front is to change policies which have caused the destruction of Egypt and to draw up alternative policies in order to save Egypt. If someone is to say that changing the regime will be

the starting point, I can tell him that that is an insular notion: the national Movement succeeded in bringing down the 1936 treaty in 1951 and it succeeded in imposing an armed struggle within the sight and hearing of the occupation forces and the royal regime, with the blessings and the participation of the Wafd government, but that did not require eliminating the monarchical regime."

Al-Hilali said, "The National Salvation Front's opposition to 'al-Sadatist' means confrontation with the domestic and foreign social forces that have brought 'al-Sadatist' to the fore and therefore the National Salvation Front is a necessity if one is to cope with imperialism, zionism and their domestic agents and, of necessity, the parasites who have neglected our land and honor, have neglected our exploitation and chains, and have continued to be corrupt and perform acts of corruption."

Join Together for the Sake of Egypt

Al-Hilali asked all the national forces, whatever their occupations, to join together for the sake of saving Egypt. He said, "It is in no way proper for us to specify in advance and on paper the relationship that must exist between political powers and the front and for us to exercise at the stage when the front is being established the responsibilities of a socialist prosecutor and the Pope's power to distribute indulgences toward one another. It is not reasonable that the national democratic forces should engage in confronting one another in the manner of blacklists and in the style of political isolation. The door to the Salvation Front is open to everyone."

Concerning the ruling party's position, al-Hilali said, "The party and the government are declaring the continuation of 'al-Sadatist' in broad daylight, and the National Salvation Program has the goal of ridding the country of 'al-Sadatist.' In politics, we must stand on solid ground, and the call for alliance with a party that is clinging to 'al-Sadatist' means alliance with policies that are ruining Egypt. It is as if we are guiding ourselves by the statement of Abu Nuwas, 'Cure me with what used to be the disease.' However, we must distinguish between the people who are asking that a new leaf be turned, whatever their notion about us might be, and the 'fanatic al-Sadatists,' and between the people in the party who are calling out against corruption and are concerned with production and the corrupt and the enemies of national production. We must not play the role of spectator before the intense struggle in the ranks of the ruling party."

An Egypt Today Conference

Al-Hilali described in detail the manner in which front activity had been ruled legitimate by stipulation of the constitution and law, besides being derived not only from stipulations but also being won through practice and asserting itself through the protection of the masses, taking into account the fact that the Salvation Front's commitment to the existing forces of legitimacy is something else.

Al-Hilali called on the national forces to hold a national conference, stating "Although the president sent an invitation to the 'Egypt Tomorrow conference,

the 'al-Sadatists' thwarted his invitation, and the conference was postponed in accordance with the English saying 'tomorrow never comes.' The national forces, for their part, must call for an 'Egypt Today' conference, so that the National Salvation Front may arise from that."

11887

CSO: 4504/128

PROGRESS IN INTEGRATION WITH SUDAN DESCRIBED

Cairo AL-AHRAM in Arabic 22 Dec 82 p 1

[Article: "Three Committees on Integration between Egypt and the Sudan To Eliminate Restrictions between Them"]

[Text] Dr Fu'ad Muhy-al-Din, the prime minister, has issued a decree forming three temporary committees on integration with the Sudan. The first will be concerned with reviewing laws and proposing amendments to them in a manner which will lead to the elimination of the restrictions that are impeding the freedom of Sudanese residing in Egypt to reside, work and own property here. The second will be concerned with eliminating the restrictions that obstruct the freedom of movement of persons, capital and trade between the two countries, and the third will be to study joint projects that must be started.

The decree stipulates that the three committees are to present their recommendations in a month, to prepare for their presentation to the Higher Integration Council. These committees are:

The first committee will be under the chairmanship of Counsellor Mamduh 'Atiyah, the minister of justice, with Messrs Hafiz Badawi, 'Ali Mansur and Counsellors Ahmad Radwan, Faruq Rashid, and Ahmad Sulayman, as members.

The second committee will be under the chairmanship of Dr Mustafa al-Sa'id, the minister of economy, with Dr Talbah 'Uwaydah, Fathallah Rif'at, Husayn Amin, chairman of the Customs Department, Dr Ibrahim Kamil, representative of the Chamber of Commerce, and Dr Muhammad al-Sa'id al-Gharuri, representative of the Federation of Industry, as members.

The third; committee will be under the chairmanship of Dr Nazih Dayf, with engineers Maj Gen Ahmad Sa'id Nusayr, for the Ministry of Defense, and Muhammad Rashid Yahya, for the Secretariat of Sudan Affairs, and 'Awad Farid of the Secretariat of Sudan Affairs, as members.

The three committees will present their recommendations to the prime minister in a month, after coordinating among themselves, preparatory to presenting them to the Higher Integration Council.

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CSO: 4504/128

ILL-GOTTEN GAINS AGENCY'S WORK EXAMINED

Cairo AL-AHRAM in Arabic 19 Dec 82 p 3

[Article by Khamis al-Bukri: "Ill-Gotten Gains Agency, Does It Work Effectively to Apprehend Crooks?"]

[Text] The "where did you get this law," whose application is looked after by a significant agency of the Ministry of Justice, called the Ill-Gotten Gains Agency, why did it not expose those famous people, such as Rashad 'Uthman, Tawfig 'Abd al-Hayy and 'Ismat al-Sadar?

How did their crimes slip through, without the agency giving the people some kind of "early warning?"

Some say that the fault is in the law itself, the ill-gotten gains law, and that it needs amending. In their words, its loopholes need plugging, in order to eliminate the "faults" that spoil its application and permit the rise of millionaires who get rich from doing nothing and not from sweat, after traveling along a crooked road.

Those viewpoints demanded the creation of a strong agency for investigation and control. They also demanded that every citizen in Egypt be subject to the law of ill-gotten gains. Is this possible?

This entire issue was investigated by AL-AHRAM, with several advisors in the Ill-Gotten Gains Agency, so that they could express their views. In the investigation, we complied with their wishes to remain anonymous.

They said that this law, for everyone's information, does not include every citizen in our country, but only applies to those who work for the government and the public sector, and some other groups who deal with public funds. In other words, those who are subject to it are not 45 million, but only about 3 million citizens, not including 'Ismat al-Sadat.

Moreover, there is no deficiency in the law, but only in the execution of one of its provisions, which pertains to the system of investigation. The agency must follow a system of investigations peculiar to implementing the law of ill-gotten gains, along the same lines as investigations of supply, anti-smuggling and protecting literature.

They also said that it is difficult to apply the law in such a way as to include every citizen in Egypt. This has not been done in any nation of the world, except for France, where it has created problems and confusion, which has been greatly detrimental.

How does the agency supervise the affidavits of financial obligation that those subject to the law write, and specifically, how does it control the integrity of these statements?

The ill-gotten gains law specifies how to uncover sources of wealth. Boards were established for examination and investigation, with authority to examine financial records of those subject to the provisions of the law, along with that of their spouses and minor children, while providing adequate safeguards for citizens. Members of these boards must be responsible and experienced, because of the importance and seriousness of this crime. The law specifies three levels:

Board A, composed of five advisors from the Court of Cassations, empowered to examine the financial statements of the president, vice president, speaker of the People's Assembly, the prime minister and his deputy, others of their rank, ministers and their deputies and members of the People's Assembly.

Board B, chaired by an advisor from the appellate courts, empowered to examine the financial records of those of the rank of minister, deputy minister, the privileged class, undersecretaries of ministries and others of their rank.

Board C, chaired by a judge, and empowered to examine the financial records of the rest of those subject to the law's provisions. The law requires those subject to its provisions to submit affidavits of financial standing. There are three types:

1. An affidavit submitted when service begins, in which the subject states his fixed and moveable assets and those of his wife and minor children.
2. A periodic affidavit, which is submitted periodically throughout the period of being subject to the law's provisions, i.e., throughout the period of service, or during the month of January, 5 years after the previous statement. It is mandatory that, in addition to the previous general affidavits, it include a statement of the amount of increase that has occurred in the assets and the source of this increase.
3. An end of service affidavit, submitted 2 months from the end of being subject to the law.

The law also stipulates that, in the event of termination of service, legal action has to be taken within 3 years of the date the statement was submitted, because it is unreasonable to keep the case of someone, whose term of service has ended, hanging for 10 years, for example, under the control of the examination and investigation boards.

In general, the examination and investigation boards perform their duties in four areas:

1. Examine the financial statements which are returned to the agency.
2. Examine and investigate complaints regarding ill-gotten gains.
3. Examine a financial standing, even if the affidavit has not been submitted.
4. Examine a financial standing on the occasion of registering deeds. The law requires the authorities concerned with records to inform the agency regarding registering deeds in the land registry office or issuing permits for buildings, factories and facilities, as well as when the traffic bureau issues vehicle licenses. Thus the agencies concerned with records and licensing should inform the Ill-Gotten Gains Agency whenever real estate or an automobile is bought or sold, as well as the agencies concerned with issuing permits for buildings, installations, and factories. The examination and investigation boards make use of the office of experts in the Ill-Gotten Gains Agency of the Ministry of Justice. It can supply them with engineers and accounting and agricultural experts to evaluate the true worth of the property of someone subject to the law. The law gives the boards all the powers decreed for the investigatory authorities in the law of criminal proceedings. The legislature was concerned that one of the areas of jurisdiction should be authority to prevent the subject and his wife and children from disposing of their funds or managing all or part of them.

What about the penalties stipulated by the law of ill-gotten gains?

The law stipulates imposing a penalty on those who obtained ill-gotten gains for themselves, or for others, of imprisonment or fines equivalent to the value of the ill-gotten gains, apart from the proviso or returning those gains. The law expressed concern for methods of uncovering occurrences of these crimes, in view of their private nature, by stipulating that if the participant in the crime of ill-gotten gains, or someone who commits the crime of concealing money obtained from it, informs the public authorities about the crime before it was discovered, or about the money obtained from it, he would be exempted from the punitive measure. It should be noted that the legislator left the person subject to the law free to write the financial statement without any control officer being charged with examining his financial standing.

The latter means that the respectable citizen will never be harmed by stating all his wealth and its sources. However, the crooked person might resort to not filing the affidavit or to falsifying his statement, and submitting his financial affidavit without mentioning all his assets or property, despite the fact that he is a millionaire. How does the law deal with these cases, and what is the Ill-Gotten Gains Agency's course of action?

The officials concerned answered this question by saying:

1. The law stipulates punishing anyone who commits the crime of not submitting the financial affidavit on the dates decreed by imprisonment or a fine or both.
2. It is also the view of the law that it is in fact a crime if the affidavits contain false statements. It provides for punishing anyone who deliberately falsifies his affidavits with imprisonment, a fine of not less than 100 pounds, nor more than 500 pounds, or both.
3. The law also stipulates that, in addition to the boards having all the powers granted to investigatory authorities in the law of criminal proceedings, the boards be given authority to request statements and clarifications, and to obtain documents from the quarters concerned, even if their statements are secret, and to seize them.
4. The law obligates the agencies concerned with registration, such as the land-registry office, traffic bureau and offices that issue licenses, to report deeds and licenses given to anyone who is subject to this law.
5. Implement actions to search for and discover crimes of ill-gotten gains through a board of administrative control. The law stipulates that the administrative control organization is the basic investigatory unit of the Ill-Gotten Gains Agency. However, it is not occupied exclusively with investigating all the many cases of ill-gotten gains. The job was difficult with the abolishment of this organization, which has recently been reestablished. However, the certain guarantee to achieve this goal is the establishment of a special investigatory organization for the agency. It is considered the "cornerstone" in making the law effective. With its establishment, there no longer is any room for slackness in achieving the goal at which the ill-gotten gains legislation is aimed.

Accordingly, it is also evident that there is no fault with the law, but only in the lack of an investigatory body which the law had stipulated.

Some demand that it is necessary for the law to include every citizen in Egypt. Is this possible?

Law 62 for 1975 includes all those responsible for public funds in the state, employees of administrative bureaus in the government, those who work in the public sector and cooperative associations, and members of the boards of directors of the unions, in addition to a new group of financiers who are subject to the tax card system, if the total of the financier's business with various government agencies exceeds 5,000 pounds. Expansion in applying the law to non-state workers, and to those not responsible for public funds, is very difficult to do, for the following reasons:

1. Because of the non-availability of committees required to apply it. At present, there are 120 boards, supervised by 7 advisors, that keep an eye on the financial records of 3 million citizens. How many boards would be required for 45 million citizens? It is inconceivable!

2. Because its application to some groups is considered interference with personal freedom, since we cannot with today's freedoms demand interference with one's personal affairs, nor ask each individual where he got something. It is unreasonable for the board to follow behind each merchant or farmer or manufacturer, and demand that he submit a financial statement. For information, the number of accused persons who have been referred to criminal court, through application of this law, is approximately 500. Many verdicts have been handed down, including guilty verdicts. It is worthy of note that many times the accused in cases of ill-gotten gains will have committed crimes of embezzlement or bribery. The court combines the two and is satisfied with the punishment decreed for the worst crime, i.e., embezzlement or bribery.

Finally, in connection with amending the law, AL-AHRAM's investigations are able to give officials an example of proposed amendments, which can be summarized as follows:

1. A judicial investigatory body directly subordinate to the Ill-Gotten Gains Agency.
2. Increasing the penalty for those who falsify their financial affidavits, as well as those who withhold all or part of their property from the financial statements.
3. Penalize those responsible for agencies and boards who refuse to provide the Ill-Gotten Gains Agency with information, statements, documents and records for which it asks, and in general, to give the agency all the necessary resources to better implement the law.
4. Give each citizen who gives information about crimes of ill-gotten gains a reward based on a specific ratio commensurate with the value of the amounts that are recovered. The reward should not exceed 500 pounds.

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CSO: 4504/132

TECHNICAL MILITARY SCHOOL INAUGURATED

Cairo AL-AHRAM in Arabic 12 Dec 82 pp 1, 3

[Article: "Muhyi al-Din and Abu Ghazalah Inaugurate First Technical Military School for Basic Education; 50 Million Pounds Allocated to Train Recruits Professionally and Vocationally"]

[Text] Prime Minister Dr Fu'ad Muhyi al-Din announced at the inauguration of the first technical military school for basic education yesterday that the government has drawn up a plan to absorb the largest number of people wishing to be trained and that a sum of 50 million pounds has been allocated for the professional and vocational training of recruits in the armed forces. The prime minister also said that there are priorities for the needed skills and that we welcome the exportation of manpower to the Arab countries which are entitled to this from the "giving" Egypt.

Field Marshal 'Abd al-Halim Abu Ghazalah, the deputy prime minister and the minister of defense, said that in addition to modern sophisticated armament, preparing the armed forces requires training craftsmen who add another brick to Egypt's bastion so that Egypt may always be the leading and vanguard nation in our Arab area. Abu Ghazalah added that the armed forces had previously promised to train 60,000 discharged troops annually so that they may join the production family and that they have fulfilled their promise.

He further added that this does not mean the deviation of the armed forces from their fundamental role. In addition to training these people to become productive workers, we witnessed last week an exercise by two formations of the third field army which provided an example of the serious military training that achieves for Egypt the retaliation and deterrence force.

Field Marshal Abu Ghazalah also said: The basic technical school we are inaugurating today will accept those who have completed the sixth elementary grade. The duration of training at the school is 3 years. The graduate will be considered a volunteer in the Egyptian armed forces for a period of no less than 5 years. Those who spend this period in voluntary service will be exempted from the compulsory service. He added that the school will be a nucleus for other schools, one of which will be established in each of the central, western and eastern delta and two in Upper Egypt. The graduate's salary will amount to 67 pounds monthly, in addition to free boarding and fully free training throughout the schooling period.

The prime minister and Field Marshal Abu Ghazalah inspected the various training sections and workshops and the school classes and then the prime minister awarded the certificates of excellence to the top trainees in the various military training centers. At the conclusion of the ceremony, the "shield of the technical staff of the armed forces" was presented to the prime minister, the minister of defense, to Lt Gen 'Abdrabb al-Nabi, the chief of staff, and to Counselor 'Adil 'Abd al-Baqi, the minister of state for administrative development. The ceremony was attended by a number of the prominent commanders of the armed forces.

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CSO: 4504/111

OPPOSITION WANTS SOCIALIST PROSECUTOR, VALUES COURT ABOLISHED

Cairo AL-AHRAR in Arabic 6 Dec 82 p 5

[Article by Jamal 'Abd al-Sami': "Opposition Supports Socialist Prosecutor and Demands His Position Be Abolished; Opponents Assert: There Is no Contradiction"]

[Text] The opposition, the lawyers and the judiciary support the socialist public prosecutor's measures against the delinquents. But at the same time, they demand that his position be abolished! Is there contradiction in the position of these people? Another question branches from this one and is fully tied to it, namely: Should the demand of those calling for abolition of the socialist public prosecutor's position be fulfilled, would it be then possible to bring the delinquents to account?

Dr Hilmi Murad, the former dean of the 'Ayn Shams Law School and the Labor Party deputy chairman, sees no contradiction in the opposition's stance. The opposition believes that the socialist public prosecutor's position duplicates, according to his powers, the position of the attorney general and denies citizens referred to the socialist prosecutor the right to be tried by the ordinary judiciary, a right which the opposition is demanding.

However, certain reports have been received by the socialist prosecutor and he has been asked by the head of the state to investigate them. In this case, we laud the head of the state who has given the go-ahead signal to bring to account the brother of the former president of the republic for the major and serious violations he has committed against the law and the people.

Dr Hilmi Murad added: We are not against the person of the socialist prosecutor. We bear his person and the person of those working at his office full respect. They are all men of the judiciary and the prosecution and we have no objection to their persons. The objection focuses on the socialist prosecutor's outfit in its capacity as a duplication of the judiciary authority. We want a single judiciary authority enjoying the guarantees stipulated by the constitution, namely independence and neutrality, and performing its duties in accordance with the judiciary authority law. We also demand that the immunity of the judges be extended to the public prosecution so that the citizens may be reassured when the prosecution takes its measures and conducts its investigations. We also want the prosecution

people themselves to be reassured while performing their duty and to be free of all intervention from any other authority seeking to influence them in one way or another.

In the case of the socialist prosecutor, the People's Assembly has control over him because he is considered a political interrogation agency. When politics get involved in any sphere, there can be no neutrality or independence. Matters concerning the citizens' rights, property and liberties must be entrusted to the judiciary who are detached from politics and independent of the parties and who enjoy immunity against the executive authority's intervention so that every citizen may rest assured that his life, the things he holds inviolable and his property are in safe hands free of any intervention that may influence absolute justice.

Ordinary Judiciary

Hilmi Murad added: The ordinary laws, namely the penal code and the criminal proceedings code, could have been applied to bring 'Isamat al-Sadat and people like him to account, considering that what has been attributed to 'Isamat is felonies and misdemeanors covered by the penal code, including the misuse of influence and position, transgression against the property of others and theft. The ordinary laws give the public prosecution the power to impound monies acquired through crime for fear of being smuggled. These laws also give the judiciary the right to confiscate the monies when a sentence of guilty is issued, thus producing better results than the socialist public prosecutor because in the case of the socialist prosecutor, no criminal sentence is issued against the defendant who is just placed under detention for a period of time that may extend up to 5 years.

Concluding his statements, Dr Hilmi Murad demands that corruption be uprooted in a legal manner that provides the defendant with all the guarantees and all the means of defense before the ordinary judge who cannot be dismissed and who is not subject to influence from any other authority, i.e. the judge who enjoys full independence and who has no interest in pleasing the government. All these guarantees are only available in the ordinary judiciary. This is what makes the opposition insist on its demand for abolition of the socialist prosecutor's position and on having the ordinary judiciary try delinquents in accordance with the provisions and proceedings of the ordinary laws.

Not Judiciary Authority

Ahmad al-Khawajah, the former Lawyers Union chairman, says: There is no doubt that the socialist prosecutor and his assistants have been selected from among the judiciary in accordance with the law to protect values against shame and sequestration law No 34 of 1971, that they are still members of the judiciary authority and that their presence in the socialist prosecutor's office takes place through delegation. Basically, there are no members of the socialist prosecution other than the socialist prosecutor himself.

But constitutionally and legally, the socialist prosecution is not a judiciary agency or authority.

When chapter 6 of the constitution regulated the socialist prosecutor's authority, it stipulated that the socialist prosecutor be in charge of taking the measures that guarantee the people's rights, society's safety and political system, that safeguard the socialist gains and that insure abidance by the socialist behavior. The constitution adds that the law shall determine the other powers to be bestowed upon the socialist prosecutor who will be subject to the control of the People's Assembly.

This chapter of the constitution is detached from chapter 4 which concerns the judiciary authority and chapter 5 which concerns the Supreme Constitutional Court. This shows that the socialist prosecutor is not a part of the judiciary authority. Moreover, the fact that the socialist prosecutor is subject to the People's Assembly control denies him the quality of belonging to the judiciary because the text of article 166 of the constitution says "the judiciary are independent and subject to no authority other than the authority of the law. No authority may intervene in the affairs of the judiciary or of justice."

In conclusion, al-Khawajah says: As long as we have concluded that the socialist prosecutor is not a judiciary authority and that he is not subject to the controls set for the judiciary authority, then we oppose his engaging in judiciary action and oppose all the power bestowed upon him by the law to protect the values from shame. We also oppose the provision in this law establishing a two-level values court. We oppose all this because we still believe in our view that the essence of the judiciary is its immunity and infallibility, meaning that nobody should undermine the judiciary and that we should not strip the judiciary of that which is within its jurisdiction.

Violates Constitution

Ahmad al-Khawajah then proceeds to discuss the violations that are within the jurisdiction of the socialist prosecutor, saying: If we think that we are dealing with violations committed by 'Isamat al-Sadat or by others who have been subjected to measures taken by the socialist public prosecutor in accordance with the law to protect values from shame or law No 34 of 1971, then if these violations constitute crimes they must be left to the public prosecution in its capacity as one of the judiciary authorities.

Al-Khawajah has also said: Our satisfaction with the socialist prosecutor's interrogation of the delinquents does not mean that we encourage that the socialist prosecutor have such powers. Rather, we still stress that it is better for society and for these people that the matter of issuing guilty or not guilty sentences be in the hands of the judiciary alone.

Abolishing Duality

Counselor Mumtaz Nassar, an independent member of the People's Assembly, says:

If the opposition is demanding that the socialist public prosecutor's position be abolished, it is only seeking to abolish the duality in investigation and in authority. How can a defendant be investigated by the ordinary

judiciary authority with the original power and then be referred for investigation by the socialist prosecutor--an investigation that may end up in keeping the defendant in a safe place, meaning in prison. This means restricting the liberties.

If the opposition applauds the measures taken by the socialist prosecutor against the defendants, then this constitutes no contradiction in the opposition's stance because we still prefer that the case of any delinquent be left to the ordinary judiciary. This is a right to which every citizen is entitled.

Abnormal Law

Counselor Wajdi 'Abd al-Samad, the Judges Club chairman, and Counselor Yahya al-Rifa'i, the club's secretary general, agree that the basic problem is the problem of the law of shame, which is an abnormal law. This law has innovated a new political responsibility and has created the socialist prosecutor's position, giving the socialist prosecutor and the Values Court--another innovation--powers at the expense of the ordinary judiciary and the expense of the citizen's guarantees and security.

The judges have a principled position from which they do not swerve, namely that the ordinary law is sufficient and totally dispenses with the presence of the socialist prosecutor. There is an enormous arsenal of ordinary legislation which contains enough to dispense with all the special laws and regulations. The general attorney's position and powers are enough to dispense with the socialist prosecutor's position and powers and the ordinary courts give guarantees that the Values Court does not have.

The Judges Club chairman asserts that the law of shame, an abnormal law which has created the socialist prosecutor and the Values Court, came to settle personal accounts. We believe that the circumstances which dictated the promulgation of this law have disappeared.

The Judges Club chairman cited as an example the case of Dr 'Abd al-'Aziz Sulayman, the president of 'Ayn Shams University, saying: The Values Court issued a sentence which was reversed by another sentence issued by the criminal court.

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CSO: 4505/111

PROPOSALS TO INCREASE SAVINGS OF EGYPTIANS WORKING ABROAD DISCUSSED

Cairo AL-AHRAM AL-IQTISADI in Arabic No 724, 29 Nov 82 pp 44-46

[Article by Nabil Sabbagh: "The Money Market: In Connection with Proposals To Increase the Savings of Egyptians Working Abroad"]

[Text] The purpose of a detailed study prepared by the National Council on Production to investigate the numerous factors that affect the savings of Egyptians working abroad was to find solutions that would increase the flow of these savings into Egypt so that these funds can be used in developing the national economy.

At first the study analyzed the changes in the size of the labor force abroad as these are estimated by the Central Agency for Mobilization and the Census. The study also analyzed the average wages of those workers on the basis of average wages in Saudi Arabia and in Iraq where the largest number of those emigres work.

After that the study estimated the amount of real savings accumulated by these workers and how much of these savings were transferred into Egypt. These transferred funds were then divided into sums that were assigned to the community of banks and funds that were retained abroad. Some of these funds were used to import material goods that are brought into the country by passengers or through a system of importing goods without converting currency.

Regarding the size of the labor force statistics estimated that in 1981 there were 931,000 workers and technicians [working abroad]. The figures in emigration statistics, however, are twice that because many Egyptians leave the country without giving official notice of their intention to work abroad.

Regarding income the study estimated that in 1981 [Egyptians working abroad] earned 5.660 billion pounds and spent 2.264 billion pounds of their savings abroad. Thus, surplus funds they had in their possession in the form of savings amounted to 3.169 billion pounds. This is 56 percent of their total income.

From these savings Egyptians working abroad transferred to Egypt 2.505 billion pounds. The rest of the money, a sum of 964 million pounds, was kept abroad.

Statistics attached to the study indicated that of the 2.505 billion pounds that were transferred to Egypt, the sum of 590.7 million pounds was assigned to the community of banks. Another share of these transferred funds was used to pay for

national goods--automobiles, refrigerators, etc.--that are manufactured locally. [Still another share] of these funds was in the form of paper currency that Egyptians working abroad brought with them when they returned to Egypt. The sum of 502.8 million pounds was kept in bank deposits and in other savings accounts in their names. Thus the total amount of currency transferred was 1.0935 billion pounds (590.8 million pounds + 502.8 million pounds).

935 Million Pounds To Finance Imports without Currency Conversion

The study points out that of the funds transferred to Egypt about 935 million pounds were indirectly consigned by savers to finance import activities that are carried out without currency conversion. This [sum] alone represents 40 percent of all funds transferred by those who are working abroad this year. These funds were transferred at a rate of exchange that is higher than that which is declared by the community of banks that are authorized in Egypt. The rest of the savings that were transferred--475 million pounds--came into the country in the form of material goods that workers returning to Egypt brought with them into the country.

The previous figures indicate that the actual amounts of savings entering Egypt as cash assigned to banks or deposited in banks and local savings accounts was only 40 percent of all the funds transferred into Egypt by Egyptians working abroad. Sixty percent of these transferred funds were channeled into consumption of material goods, either to convert currency or to buy goods from abroad that passengers bring with them into the country. [In other words 60 percent of these funds were used to], import goods without converting currency.

The study thus made it evident that of the total income of Egyptians working abroad in 1981--this sum is estimated to be 5.660 billion pounds--only 1.093 billion pounds reached Egypt in the form of funds assigned [to banks] or [bank] deposits. This was only 20 percent of these incomes, despite the fact that Egyptians working abroad save about 56 percent of their incomes. Thus 36 percent of those incomes slip out in a variety of ways and are used indirectly to finance the importation of material goods.

The Ideal Utilization of Savings

After using figures to explain these facts the study reviewed the reasons that led to this situation, and then it [suggested] what ought to be done principally to increase the incomes of Egyptians working abroad and then to increase the savings they transfer to Egypt, either as currency assigned directly [to banks] or deposited in local savings accounts or indirectly for the benefit of the national economy as a whole.

In the course of its inquiry the study dealt with the importance of Egyptians working abroad to economic development and what ought to be done to increase the competence of those workers, improve the standard of their performance and increase their incomes. The study also dealt with how the largest amount of their surplus incomes can be attracted to fund development projects either directly, by having those funds turned over to the state or by putting those funds in local deposits, making it unlikely that a part of these savings would be used to purchase imported goods as is the case now--importing goods without converting currency, etc.

The study concluded by making recommendations which the committee that prepared the study thought would help increase the savings of Egyptians working abroad and swell the flow of those funds into Egypt. This committee was chaired by Engineer Fu'ad Hasan, former minister of finance. Mr Mahmud Shakir, vice president of the Central Bank was a member of that committee.

The study divided the recommendations into three groups:

1. Increasing the monetary savings of Egyptians working abroad.
2. Attracting the savings into Egypt's banks.
3. Cutting costs and avoiding the negative effects of the emigration of Egyptian workers.

Regarding the Recommendations Concerning Increasing the Monetary Savings of Egyptians Working Abroad

It was the opinion of the committee that the incomes of people working abroad as well as the number of those people had to be increased. This would be done by encouraging people to leave the country to work and by studying the employment market abroad as well as the different areas of specialization that are required in this market. This would entail that an educational policy be drawn up: it would concentrate on technical disciplines and provide the trained technical workers in accordance with short-term and intermediate-term needs.

People who are working abroad are to be encouraged to save more money and to send those savings to Egypt. They are to be encouraged to purchase local goods and products.

2. How To Attract Savings

The second [group] of recommendations included [a discussion on] how to attract savings through legal channels and how to keep those savings away from the free and unregulated black market which is controlled by black market racketeers. Thus, measures are to be taken giving those who are working abroad an incentive to assign their savings to the community of authorized banks or to deposit them in their own savings accounts.

To realize that goal the recommendation asks that policies and measures be put into practice to curb the rates of inflation which now exceed the rates of interest on the Egyptian pound. Citizens are thus reluctant to assign [to the banks] the funds they have available, and they keep those funds in their accounts.

For this reason the study asks for the following:

--That expansion of the money supply be curbed.

--That import activities which take place without currency conversion be set on the right course so that savings do not become the indirect means by which this activity is financed.

--That savings in local currency be encouraged by raising the interest rate to a level that is consistent with local inflation rates and the interest rates on foreign currencies.

--That attractive investment opportunities be made available by setting up stock companies and allowing individuals to use local and foreign currencies to buy stock in these companies. Government bonds are to be made available and to pay satisfactory interest rates, or these may be linked with benefits of owning housing units or land for construction.

--Banks are to adhere to flexible and realistic rates of exchange that reflect the real value of the Egyptian pound. People who work abroad and tourists as well would thus be less likely to go to black market racketeers (the free market) with the foreign currency they have. In the long term this requires that a commercial [money] market be established where one stabilizing rate of exchange would prevail. The Central Bank would control and manage this market to curb sharp fluctuations and speculations.

--Public sector companies are to be strengthened and developed. They are to be given the freedom to price what they produce on sound economic bases so they can meet any increase in production costs due either to the rise of the interest rate or the rate of exchange.

--Efforts should be made to create internal stability to limit the smuggling of capital outside the country.

The Rates of Exchange for the Foreign Currency Supply at Allied Banks -- in Piasters

<u>Currency</u>	<u>Purchase</u>	<u>Sale</u>
U.S. dollar	83.16832	84.00000
Sterling pound	135.4396-	136.79399
Deutschemark	32.21081	32.53291
Canadian dollar	67.90359	68.58262
Danish krone	9.18986	9.28175
Dutch florin	29.66059	29.95719
French franc	11.39760	11.51157
Italian lire (one hundred)	5.60811	5.66419
Norwegian krone	11.40854	11.52262
Portuguese escudo (one hundred)	90.30219	91.20521
Swedish crown	11.02297	167.83216
Belgian franc (one hundred)	166.17046	167.83216
Austrian schilling	4.58227	4.62809
Kuwaiti dinar	280.67653	283.48329
Swiss franc	37.58170	37.95751
Japanese yen (one hundred)	31.13753	31.44889
Finnish markka	14.95833	15.10791

3. Taking Measures in the Context of Public Policies

The third [group] of recommendations dealt with public policies whose application was being called for. Among these were [a] expanding training centers to meet the

present excessive increase in wages which is a result of the shortage of technical workers; [b] curbing speculation in land and real estate by imposing taxes on capital gains; and [c] implementing a policy of tying wages to production efficiency so as to increase production and keep technical workers from leaving the country.

What Is New in These Recommendations

In following what has already been mentioned, it becomes evident that the study reviewed some solutions that had been proposed previously but that had not been applied. These recommendations did, nevertheless, affirm the importance of people paying attention to these recommendations since that would be inescapable if we wanted to treat the problem of the shortage in the amount of funds transferred into Egypt by Egyptians working abroad. This problem is due to the fact that the financial and monetary policies which were proposed by the study and which had previously been discussed by the National Council for Production, by the People's Assembly and by the committees of the National party were not implemented. Among these proposals was that of establishing a commercial market or a declared money market in order to do away with black market racketeers and give people who have savings accounts a suitable rate [of interest] on their savings.

With regard to the measures that should be taken to curb rates of inflation, it is known that among the basic reasons for the disorderly increase in inflation rates is the constant deficit in the state's general budget. This deficit is the result of the fact that the state is burdened with [more expenses] than its revenues warrant, and this requires that the state's expenditures be looked at with objectivity and candor so we can ask the people to assume their responsibility and share part of the burden that the state is assuming by itself. This can be done by reconsidering the subsidy policy which drains one fourth of the state's revenues and constitutes a major obstacle to the development of public sector companies and the execution of replacement and renovation operations. The matter also requires that we look for a formula that would shift to the private sector and to financing from private savings part of the burdens of the investment budget that is in Chapter Three of the general budget. This may require a prompt reconsideration of the Public Sector Development Law, changing the public sector into a business sector [along with] removing the restrictions and obstacles that surround the public sector.

The matter may also require reconsideration of educational outlays and the policy of hiring graduates. In general, this requires that the state pursue a policy of austerity.

Regarding [efforts to] encourage savings in local currency and keep citizens from converting the Egyptian currency they have in their savings to foreign currency so they can take advantage of the high rates of interest that are earned by foreign currency deposits: it is a fact that this recommendation has to a large extent outlived its purposes after interest rates on dollar deposits dropped worldwide. After the interest rate on dollar deposits rose to between 20 and 21 percent last year, it fell again in recent months to an average of 11 percent a year. Thus interest rates on deposits in Egyptian currency were close to those on deposits made in dollars even though inflation continued to be a factor affecting the purchasing power of the Egyptian pound and leaving the door open for such exchanges.

The proposal which calls for higher interest rates on deposits in Egyptian currency may have opposite effects on credit activity in Egypt. It may add service charges to credit terms and loans.

Furthermore people are attracted by the rate of interest as a return on investment. This is based on the fact that the tolerant law of Islam does not consent to usury. Finally, no matter how high we raise the interest rate on bank deposits, these high interest rates will in no way equal the local rising rates of inflation.

The Establishment of New Channels To Attract Savings Is Required

We are suggesting for discussion that new channels be established to attract the savings of Egyptians working abroad. Direct investments are to be encouraged. These are to be made in the form of direct contributions to joint stock companies or in the establishment of joint stock companies. This is what happened on a small scale in the context of the Investment Law, but what is required now is that the following step be taken by the public sector.

It is known that what is being proposed to develop the Public Sector Law is to include in this law a clear stipulation allowing the public sector to sell to the public for foreign currency a share of the capital of publicly [owned] companies--after the elements of the budget are analyzed--and to sell another share in local currency. An announcement would then be made that these shares would be sold to the public under the supervision of the public sector in Arab countries, and Egyptian citizens working in that country would be invited to buy shares in these companies either with foreign currency or with Egyptian currency.

Public sector companies can thus use these funds to finance their investments in expansion, replacement and renovation operations. Thus budget funds which used to be allocated to these companies and earmarked for making these investments (Chapter Three Investments) can be removed from the budget.

It is self-evident that this would require in the first place a reconsideration of the method by which the public sector is managed and a reconsideration of the policy of pricing what these companies produce. In computing the prices of their products public sector companies would thus take the cost of production and add to it a margin of profit which may be used to measure production efficiency and at the same time yield a significant return to investors.

Such a trend to encourage investment and to steer savings into productive investment areas would reduce the pressure on the market for agricultural land, for land that would be used for buildings, for buildings and for housing units. People enter these markets to trade or invest, particularly after Egyptians working abroad turned to such investments because of the lack of consciousness among many of those workers about investing in the shares of these companies.

The basic condition for the success of such a proposal is to manage public sector companies on sound economic bases so that these companies would face the competition of the economics of the marketplace without being restricted by a social pricing system that places on them more burdens than they can bear and keeps them from carrying out replacement, renovation and expansion operations. It may be better and safer to apply to public sector companies the provisions of Law

Number 159 for 1981, the New-joint Stock Companies Law. One of the most important things that must be reconsidered is the problem of profit distribution so that the share of workers would be limited to a minimum of 10 percent. This amount is to be disbursed to workers in cash, and everything that used to be channeled into local services, central services and stock buying is to be abolished.

There is a second proposal in this regard: Public sector companies were to sell shares to finance their investments, and these shares would participate in the companies' profits instead of receiving a constant return.

In this case the return would be variable, and it would depend on the profits which the company distributes to its shareholders.

This is the system that is known as profit sharing.

The third proposal came in the context of encouraging the flow of funds saved by Egyptians working abroad. Egyptians residing in Egypt can also benefit from this proposal. The state and companies are to issue shares [that would be sold] in Egyptian pounds; these shares would have a dollar value. The returns on these shares would come either as profit sharing or as variable interest. This would ensure [protection] for shareholders from the factors of inflation, and it would encourage Egyptians who work abroad to convert their foreign currency savings into Egyptian currency on the basis of the fact that buying such shares which have a dollar value would preserve the value of their savings even if those savings were in Egyptian currency.

Second, Regarding the Proposal To Establish a Free, Declared Money Market

Actually, the fact that this proposal has not yet been implemented, even though there is a system for importing goods without converting currency, represents the two principal reasons why the black market is being supplied with foreign currency and workers are being persuaded to turn over their savings to the community of authorized banks. This is because the declared rate of exchange has remained constant, whereas the undeclared rate of exchange for foreign currency continues to rise.

What is required then is that steps be taken to set up a free, declared and variable rate of exchange. This would be agreed upon daily, and it would be announced by all the banks so that it would become the only rate of exchange according to which Egyptians working abroad can assign their savings to the banks. This rate would also apply to foreign tourists who assign the [foreign] currency they have [to the banks]. The same rate of exchange would apply to exporters who export non-traditional goods; they would exchange the returns on their exports at this rate also.

There would be no objection to the existence of a constant rate of exchange, which would be the present declared rate of exchange: that is, any other rate of exchange set by the state and according to which returns from traditional exports would be assigned to the state.

In other words, as a preliminary stage to the partial liberation of the Egyptian pound, we are to begin giving partial preference to the pound over changing the constant rate when the picture takes shape.

Third, Regarding the System of Importing without Converting Currency

As we've already mentioned this system plays a major role in the fact that funds saved by Egyptians working abroad are not flowing profusely into the country. This is because many of those who import goods without converting currency buy the savings of Egyptians working abroad, and they pay them a lucrative price. But this price is lower than that which is in Egypt, and people engage in those sales to benefit from the price differences between the new, declared rate of exchange and the constant rate of exchange which is lower than the new, free rate.

What is being proposed is to change the system of importing goods without converting currency into a system of importing goods by applying for credit in foreign currency in return for payment in Egyptian currency of the value of the foreign currency credit at the declared rate of exchange.

To support the new money market the matter may require that establishment of a money market be preceded by establishment of a fund to balance currency prices. Authorized banks would place a share of their deposits in this fund which would be controlled by the Central Bank of Egypt.

The Prices of Currency and Precious Metals in Piasters

<u>Currencies and Metals</u>	<u>2 Weeks Ago</u>	<u>Last Week</u>
Gold in grams		
24 carat	1,440	1,497
23.5 carat	1,411	1,467
21 carat	1,260	1,310
18 carat	1,080	1,122
14 carat	840	873
A gold pound		
A gold pound, authentic: sale	11,500	11,500
A gold pound, authentic: purchase	10,550	10,980
A gold pound, imitation: sale	10,100	10,600
A gold pound, imitation: purchase	10,300	10,480
Silver in grams		
1,000 carat	40	40
900 [carat]	35	35
800 [carat]	30	30

The Rise in the Local Price of Gold Is Tied to the Rise of the Dollar

The price of gold of various carats rose at the end of last week by about 50 piasters per gram. The reason for this is the fact that the value of a dollar in the free, undeclared market rose on the basis of the fact that gold which is smuggled from abroad is paid for at the market rate of exchange in that market where the value of a dollar in banknote rose to 112 piasters and to between 115 and 117 piasters for conversions. Some activity has also begun to show up in the jewelers' market. It is known that the price of gold in the world market has remained constant around 412.5 dollars per ounce. That price had fallen in 1 week to 900 dollars per ounce [sic?].

EGYPT'S BREAD PROBLEM DISCUSSED

Cairo AL-AHRAM AL-IQTISADI in Arabic No 726, 13 Dec 82 pp 10-15

[Article by Kamal Jaballah and Umaymah Kamal: "We Import Wheat and Export Bread!"]

[Text] The bread subsidy is 800 million pounds, and the problem persists.

All our revenues from our cotton exports are used to pay for the wheat we import.

The question of the loaf of bread--its subsidy and its quality--is at the forefront of the most serious questions that concern people of different levels. The gravity of the question lies in the fact that it has to do with the principal item in the diet of the vast majority of the people, particularly the toiling classes in rural areas among whom bread constitutes 80 percent of the principal meals. In fact, bread represents the minimum subsistence level for people's security, for their lives and their work. The fact that the dimensions of the bread problem are interrelated requires one to be very careful and deliberate in presenting the symptoms [of the problem] so that we can make a proper diagnosis of the ailment and can, consequently, prescribe the proper treatment for it. It is enough that we have reached the point where we are importing 5.8 million tons of wheat every year and subsidizing bread to the tune of 800 million pounds a year even while we export bread to Gulf countries and to the United States!

Much has been said and written about the loaf of bread, but the problem has persisted. It seems that so far citizens' complaints about scarce supplies and poor quality have not been resolved.

It has become an established fact that people who work in bakeries are leaving this arduous line of work; the state's tendency to replace existing bakeries with automated ones is facing considerable difficulties; and the standard specifications that are described by the state and outlined in ministerial decrees are not observed by the private sector which produces 90 percent of the domestic bread.

The state is at a loss about this question. It has agreed to assume the burden of

* Translator's note: In Egypt "baladi" or domestic bread refers to flat whole wheat bread. "Shami" or Syrian bread is flat bread made with bleached flour and usually thinner than domestic bread. I rendered "afrangi" (literally, foreign) bread as French bread because it is the closest thing to the bread that is known in the United States as French bread.

about 800 million pounds annually to subsidize [the cost of] flour so that the price of a loaf of bread that is 16.9 grams can be maintained at 1 piaster. In the meantime the loaf of bread which used to cost 5 milliemes has disappeared, and no announcement or decree [to that effect] was made.

Despite the fact that Egypt is the highest bread consuming country in the world, we do see that many of the advanced countries--and they are among the lowest consumers of bread--have institutes and centers for preserving the quality and specifications of bread. We, however, lack such centers in Egypt.

Finally, a conference on bread research was convened for the first time last November in the period between the 9th and the 11th. The conference was sponsored by the ministries of agriculture and supply. Important recommendations were issued after that conference, but these recommendations are yet to be implemented. What are the experts saying about the bread problem? What are the proposals they are making?

The Specifications of a Loaf of Bread

Agricultural Engineer Isma'il al-Shadhli, commissioner of the Egyptian Company for Automated Bakeries says, "The state has issued decrees defining the standard specifications for a loaf of domestic bread: it has to be fully and thoroughly baked: the dough should have risen to its fullest; the upper crust of the loaf should be separated from the lower crust; and the diameter, weight and moisture [content] of the bread are set. However, a group of people who own bakeries and who are greedy do not observe these decrees, and they bake poor quality bread.

"When we learn that the private sector produces about 90 percent of the domestic bread, we no longer find it strange that people are still complaining about small supplies of bread, poor quality and a shortage of trained workers. This is despite the fact that the Ministry of Supply is making arduous efforts to provide flour that meets the [required] specifications and to assume the burdens of the subsidy, which amounts to 800 million pounds."

Mahmud al-Najjar, chief of the administrative section in the Public Company for the Bakeries of Greater Cairo adds, "The matter did not stop there. Some proprietors in the private sector use the subsidized flour to bake bread, and then they sell the bread at twice the fixed price. This bread is usually baked during the night shift, and the practice is widespread among bakeries that produce domestic bread. This bread which is sold at twice the fixed price meets the [set] specifications and has nothing more in it. Some companies which were established as a result of the open-door policy produce French bread and sell that bread at between 30 and 60 piasters a loaf. When the Ministry of Supply intensifies its supervision, some proprietors of bakeries contrive to have lines of people formed in front of the bakery. They use this opportunity to produce bread that weighs less than the weight set in the specifications. [They do so with impunity] as long as they sell the bread at the set price.

Private sector bakeries are not the only ones that are accused of not observing specifications; public sector bakeries are also accused of the same practice. These bakeries are being accused of heeding quantity but not quality so as to meet the demand in the market. [They claim to be unable] to produce bread that meets the set specifications because of the unavailability of manpower that can do that.

The Bread Subsidy

The state assumes tremendous financial burdens to keep the price of a loaf of bread [constant] for the consumer. The amount of the subsidy assumed by the state has increased from 25 million pounds in 1962, to 229 million pounds in 1978, to 600 million pounds in 1980, and to 800 million pounds in 1982. We now import 5.8 million tons of wheat and first quality flour in addition to the 1.2 million tons that are produced locally. It is expected that wheat imports, according to the next 5-Year Plan, will be 7.6 million tons. Thus, our wheat imports use up almost all our returns from cotton exports.

In a discussion about bread subsidies one must deal with the economics of producing domestic bread in Egypt as these are defined by Kamal Fuli, general manager of the General Administration for Wheat and Wheat Products at the Ministry of Supply. Mr Fuli says that a sack weighing 100 standing tons produces 880 loaves of domestic bread, each weighing 169 grams. The real price of a sack of flour without the subsidy is 24.275 [pounds], and the present cost of 1 loaf of domestic bread is 33 milliemes. But it is sold to the consumer for only 10 milliemes. This means that the state pays 23 milliemes for each loaf of bread or that it pays about 20 pounds for each sack of flour that is sold to bakeries which at the present time buy a sack of flour for 4.280 pounds. It is expected that the volume of production at bakeries that produce domestic bread--and they are over 3,000--will amount to 66,000 sacks a day and that they produce about 58 million loaves of bread a day.

The state has set a net profit for proprietors of bakeries: it is 470 milliemes per sack. This would yield the proprietors of bakeries an annual return of 11.28 million pounds. This means that a single bakery would on the average realize a net profit of 3,760 pounds. This is in addition to an increase in the actual rate of bread production. For a bakery produces 921 loaves of bread from one sack of flour--41 more loaves. A bakery realizes from [those additional loaves] a net return that amounts to 1,638 pounds per year. Also the annual return from the sale of bread at a bakery is 880 pounds.

Regarding enriching the nutritional content of bread Dr Ahmad al-Shirbini of the Center for Agricultural Studies thinks that in general several conditions are to be taken into account:

--No nutritional ingredient is to be added unless its addition will make up for a specific deficiency in the food to which it is being added. This explains the importance of adding some vitamins and salts to 20 percent bleached flour, for example. The case is the opposite with highly bleached flour because the former is richer in proteins and minerals. This, however, does not take place.

--The prevalence of enriched foods among citizens is to be taken into account. And here the importance of enriching flour or bread becomes evident. Both of them are indispensable, and together they represent the minimum subsistence level for the vast majority of the people.

--Enriching foods and adding to them the nutrients that are needed must become easy. The addition of nutrients must not produce any kind of imbalance in the basic components of a food. The added ingredient must remain stable under various storage conditions, and absolute certainty must be established that the enriching ingredient is free from all traces of toxic substances.

--The price of flour or bread must not be increased significantly after it is enriched, and the price must remain within reach of the vast majority of the people.

There are people, like Dr Ahmad Khurshid of the Center for Agricultural Research, who think that the bread subsidy is a contributing factor to the fact that the amount of bread that is lost because it is poorly produced is increasing. Individuals would buy a superior quality loaf of bread no matter how high its price. Accordingly, the quantity of bread that would be lost daily will decrease. This is the bread that every family throws every day in the garbage, and it costs the state millions of pounds every year. In the case of subsidized bread that is of poor quality, individuals are forced to buy more loaves so they can eat part of them. They usually eat the upper crust of a loaf.

As Mahmud al-Najjar says, "The subsidy will also lead proprietors of private sector bakeries to tamper [with bread]. They would take advantage of the fact that citizens need bread, and they would not adhere to specifications so they can realize the greatest return possible.

The Change in the Actual Value of the Subsidy for Wheat and 72 Percent Premium Flour in the Period from 1969-1970 to 1982

The Year	Wheat	Imported 72 Percent Premium Flour	Total Subsidy
	<u>Value in 1,000 Pounds</u>	<u>Value in 1,000 Pounds</u>	<u>in 1,000 Pounds</u>
1969-1970	4,900		4,900
1970-1971	21,000		21,000
1971-1972	20,000		20,000
1973	70,816	8,167	78,983
1974	194,087	27,006	227,093
1975	235,075	27,570	262,645
1976	152,262	25,781	178,043
1977	117,508	31,555	149,063
1978	198,314	55,197	253,511
1979	481,838	106,424	588,262
1980-1981	525,198	202,958	728,656
1981-1982	600,000	250,000	850,000

A Statement of Wheat and 72 Percent Premium Flour Imported and Produced from 1960 to 1982

The Year	Local Wheat	Imported Wheat	Imported 72 Percent Premium Flour
	<u>in Tons</u>	<u>in Tons</u>	<u>in Tons</u>
1960	1,499,000	494,000	377,000
1982	2,016,992	4,440,000	1,200,000

Barriers to Automation of Bread Production

In order for the state to get a grip on the process of baking bread, it was inevitable that automation and modern production methods be used so that the desired

quantities of bread could be provided, a constant quality of bread produced and the means for packaging, transporting, distributing and selling the bread can be furnished. But this was not an easy objective, and the state is facing several difficulties to realize it.

Agricultural Engineer Isma'il al-Shadhli says, "Firm and hardy varieties of red wheat--spring wheat--must be provided so they can be used in the process of automating the bread-making industry. These varieties of wheat could produce dough whose consistency is firm and capable of retaining carbon dioxide during the fermentation process. The state has realized the importance of automation since 1959, but the first automated bakery was installed in 1965. Its production capacity was 80 sacks of flour a day. Another automated bakery was installed during the same year. However, due to economic conditions success was not in the cards for these two automated bakeries. In the late seventies the bread industry went through critical conditions because of a shortage in technical workers who either left the country or shifted to other industries such as construction. Consequently, government once again began thinking about automation. And as was the case the previous time, automation faced difficulties the second time [it was attempted]. The most important of these difficulties was the fact that training had not continued, and the process of producing trained workers to maintain and operate the equipment had not been sustained. There was also a shortage of principal spare parts; moisture in the dough was high; operations continued for 20 continuous hours throughout the days of the week; and this wore out production lines.

The number of production lines that had been imported until 1981 was 35 automated production lines for Syrian bread and 76 production lines for French bread. These production lines were worth 26.5 million pounds. There is an integrated plan to provide Greater Cairo with automated bakeries. The United States took part [in this plan] by providing a loan for the establishment of 23 automated lines for the production of domestic bread and 6 semi-automated lines for the production of French bread. A 2-year schedule has been set for implementing these projects: from 1982 to 1984. The first institute that will train technical workers who are necessary for operating this equipment will be set up, and a central maintenance workshop as well as a laboratory for analyses and experiments will also be set up.

The state is striving to produce 50 percent of the bread that is produced so it can prevent the private sector from monopolizing or controlling this industry in the future. However, there are other difficulties which are seen by Agricultural Engineer Kamal Fuli, director general of the General Administration for Wheat and Wheat Products at the Ministry of Supply. The cost of building automated bakeries, particularly the high capacity bakeries which handle 120 sacks of flour daily per production line, is higher than that of building manual bakeries. One production line costs almost half a million pounds. An automated bakery needs a large area of land that may not be available, particularly in densely populated areas. An automated bakery requires people with technical expertise and crews who are trained to do maintenance and repair work if any part of the production line is shut down causing the production line in its entirety to shut down and the bakery to be idled. In addition, necessary spare parts are not always available, and producing domestic bread in automated bakeries is difficult because the dough for that bread is soft and sticks to the cutter and to the conveyor belts. When the quantity of water that is added to the dough during the process of kneading is reduced, the production rate per sack of flour also falls. Consequently, the

cost of production rises. Automated bakeries also require means of transportation to carry the bread they produce to the areas of consumption since the production capacity of these bakeries is high and is more than what the area where the bakery is located would need. Consequently, bread is affected while it is being transported, and this raises the cost of bread production.

The Private Sector Is Exporting Bread!

Taj al-Din Baghdadi, chairman of the board of directors of al-'Irtifa' Company for Trade, a private sector company for producing bread, strongly criticizes the public sector. He thinks that most of the disadvantages of automated bakeries are due to an unsuccessful method of management. Bread production requires a high degree of efficiency in production, operation and maintenance, and this is not available in public sector bakeries. This is the opposite of what is happening at private manual bakeries where proprietors themselves supervise production.

It is astonishing that after experiments on some production lines that were delivered to the public sector proved to be successful, the quality of bread produced by these production lines became very poor after a short period of time. In addition, most of the lines delivered to the public sector from military plants are not operating, and there is no one to repair or maintain them. Consequently, the public sector must get out of this industry and give the private sector the opportunity to play its part. The private sector can do that. We have Egyptians who are experienced and capable. Foreigners with experience in this area can also be utilized.

"Evidence that the private sector has been successful in the production of bread," says Taj al-Din Baghdadi, "lies in the fact that the company has an export unit. Agreements were made with some Gulf countries. Also some American firms are now importing some Egyptian bread products. This is because the sale price of these products is much lower than it is abroad because workers' wages are low and because the raw materials that are used in the process are inexpensive."

The Private Sector's Restraint

Mahmud Turk, chairman of the board of directors of the Public Company for the Bakeries of Greater Cairo says, "Egypt is the only country that is lagging behind in the bread industry. Despite the fact that this industry has progressed in other countries, it still relies on the manual method which has been in use since 1850. Accordingly, automation is considered an inevitable necessity, particularly since technical workers are not available. What is striking, however, is the fact that Egyptian consumers do not like the bread that is produced by machines. This is due to the fact that the quality of the bread produced by machines differs from that of the domestic loaf of bread that is produced in manual ovens. The machines are actually unable to fulfill the wishes of Egyptian consumers because it is necessary that there be a high rate of moisture in the bread. This phenomenon can be overcome by changing the consumption modes of Egyptian citizens so they can accept the bread that is produced on an assembly line. This bread is suitable for most popular meals.

Regarding possibilities for private sector investments in this area, Mahmud Turk says, "The private sector cannot invest in this area unless it could be assured

of a high degree of profitability. The private sector is not investing in this area because [set-up] costs are high. One assembly line costs about half a million pounds. The burden on the private sector in this area is still a heavy one."

Engineer Mahmud Fuli thinks that to say that the bread industry is not profitable is not true. "Although profit in this industry is less than that in other industries, capital turnover in bakeries is swift. Despite these advantages the bread industry does not attract capital, not even to build manual bakeries because of the difficulties this capital would face and because technical workers are not available. This is a result of the fact that the wages of workers in bakeries are not commensurate with the wages of their counterparts in other professions. While the average wage for a technical worker in a bakery is 3.45 pounds [a day], the average wage for a worker in other professions is about 7 pounds a day. Consequently the actual ability of manually operated bakeries [to survive] declines 1 year after the other in front of growing [bread] consumption.

The Problem of Bakery Workers

Although automating the bread industry is the solution by which the problem of shortage in trained technical workers can be overcome; growing consumer demand can be met; a constant quality of bread can be produced; and the means for packaging, transporting, distributing and selling the bread can be provided, the labor problem in itself deserves pause so that we can recognize its proportions and the possibilities for overcoming it.

Mahmud al-Najjar, chief of the administrative section in the Public Company for the Bakeries of Greater Cairo says, "The labor problem is basically a problem of wages. Hence we must become familiar with the wage system that is in effect in the bread industry. There are two systems. One is used in bakeries that produce domestic bread, and these include ordinary and improved bakeries. The second system is used in automated bakeries and semi-improved bakeries. With regard to bakeries that produce domestic bread, production workers are [as follows]: a dough cutter, a dough kneader, an oven attendant and a tubji [meaning unknown]. Ministerial Decree Number 228 for 1982, which went into effect 16 September 1982, determined the categories of wages for these workers. They are as follows for every sack weighing 100 kilograms.

--Both the oven attendant and his assistant: 86 piasters for domestic bread; 92 piasters for Syrian bread.

The dough cutter or kneading chief: 46 piasters for domestic bread and 53 piasters for Syrian bread.

--Two kneaders: 52 piasters for domestic bread and 62 piasters for Syrian bread.

A tubji [sic?]: 23 piasters for domestic bread and 31 piasters for Syrian bread.

Total wages paid for producing bread from a sack weighing 100 kilograms amount to 2.07 pounds for domestic bread and 2.38 pounds for Syrian bread.

In the public sector's automated bakeries administrators and production services

workers are paid an hourly wage based on the grade of the job each one holds. This is the opposite of their counterparts who work in private sector bakeries that produce domestic bread. Those workers are treated according to [conditions of] supply and demand. It's been noticed that proprietors of these bakeries usually assign their children and their relatives to these jobs.

Workers employed in public sector bakeries have several benefits. They have a system of incentives, professional allowances, a social allowance, health care and all kinds of holidays. In private sector bakeries the state has assumed the cost of several benefits to workers such as an annual leave allowance of 14 days a year plus 13 days of holidays that occur on feast days and membership in the Social Security system. The wages of workers in bakeries has remained almost constant in the period from 1955 to 1965 when the cost of processing a sack of flour weighing 100 kilograms was 244 milliemes. That cost rose to 465 milliemes in 1965. In the following years it rose again. At the present time, according to Ministerial Decree number 228 for 1982, that cost is about 200 piasters. This is a 748 percent increase.

Despite this increase in wages workers continue to complain about wages for several reasons. These are:

--Laws increasing wages are enacted to respond to social factors and pressure from workers, but no consideration is given to tying wage increases to production and the effort that is made at work. In addition, the rate of wage increases in the bread industry does not correspond to the rates of wage increases in many professional activities and investment companies, despite harsh working conditions in the bread industry. Some public sector companies have a system of incentives and allowances for hazardous work other than that which is in effect in the bread industry. This is because [the bread industry] is losing money and not realizing a profit.

--Among matters that can be observed is the fact that employees in a bakery are divided into production workers--and they are paid according to what they produce--and a group of administrators and production services workers--who receive hourly wages.

This division does not realize the harmony that is required among individuals who work in the same bakery.

--Laws and decrees increasing the wages of production workers [at bakeries] are issued at times and under conditions other than those which apply to others who work in administration and services. As a result there is resentment within the ranks of workers at a bakery whenever a new law is issued increasing the wages for any one of these two groups.

The Flight of Technical Workers

Mahmud al-Najjar adds, "When automated and semi-automated bakeries were set up, an appropriate salary scale that would be required for an administrative, engineering and technical staff capable of maintaining and operating these bakeries was not drawn up. This is despite the fact that millions of pounds were paid to import bakeries of this kind. As a result, workers left the bread industry, and the inevitable result of that was that workers for bakeries that produce domestic

bread became extinct even after their wages were increased. The best example of that is what happened last year in the Public Company for the Bakeries of Greater Cairo: 27 individuals were transferred; 157 did not report to work; 58 resigned; 34 were placed on retirement; 4 proved to be unsuitable; and 23 died. This is a total of 299 individuals. In their place over 131 individuals only were appointed. There are still 168 vacancies in that company.

In the first 9 months of 1982, 13 individuals were transferred from the company; 114 did not report to work; 58 resigned; 37 were placed on retirement; and 5 died. That was a total of 277 individuals. Only 137 persons were appointed to these vacancies, and 90 vacant positions remain in this company.

These data pertain to permanent full-time workers only. It has been established that the turnover rate for people who work under contracts for a limited period of time is many times that of permanent employees. This is despite the fact that the universally established ratio for labor turnover is not to exceed 3 percent.

As a result of these phenomena, and particularly after they came to be considered a rare commodity, bakery workers acquired the means by which they applied pressure to realize what they wanted regardless of what they produced.

The assumption that work is to be ensured in any form whatsoever has forced workers to take advantage of easy credit terms to make more money. At the present time a worker buys an insurance term that would make him eligible to receive a pension. After this is done, a worker submits his resignation so he can collect a pension and wages for the work that he will later be doing.

Because bakeries continue to operate three shifts with two work crews and because workers do not get the day off on holidays and do not get a day off during the week to rest despite arduous and difficult working conditions, workers resorted to taking stimulants, and consequently, diseases among them have become widespread.

Authorized agencies are trying to provide the technical workers that are necessary to work in bakeries, but to no avail.

The Absence of Scientific Research

Before reviewing the recommendations of the first conference on bread in Egypt, one finds a reference to what was declared by Dr Ahmad Khurshid, chief researcher at the Center for Agricultural Studies, about the necessity of using scientific research in the area of bread production. Automated bakeries did not realize their principal objective of producing a good loaf of bread that conforms to specifications. This is due to the absence of Egyptian experience and the absence of a research and applied scientific methodology in evaluating and setting up these bakeries to produce domestic bread. The conditions for preparing domestic bread are completely different from those [required for] preparing French bread with regard to the quantity of water added, the time of kneading and fermentation; the shape, kind and thickness of a loaf; the temperature of the oven; and the baking period. If all these factors are not taken into account from a practical standpoint in designing and maintaining the automated bakeries, the inevitable result of that will be certain failure. Scientific research and

studies must include the milling process, production of good flour of various kinds and sources, the chemical composition of the flour and its shelf life. All these factors affect the quality of the final product. It is also necessary to package bread in special packages to protect it from contamination and to retain its moisture. Transportation and distribution operations as well as the locations, conditions and methods of selling the bread are also to be regulated.

Recommendations, but Execution Remains

We come to the stage of recommendations. It is possible that these recommendations will not see the light of day. Like cancer, the bread problem would continue to get worse every day, and the consequences of that will not be favorable. To remedy the situation AL-AHRAM AL-IQTISADI can only list those items that were mentioned in these recommendations. All of them can be carried out if we are really serious about confronting the bread problem.

--Regarding specifications for a loaf of bread, adherence to diameter specifications, not the weight of a loaf of bread, [is recommended] as a basis for judging the quality of a loaf of bread. This is because a large diameter of 24 centimeters ensures that the dough had been rolled out and properly baked and that the consumer will buy it.

--The matter of bread subsidy should be considered on the basis of providing the consumer with bread of superior quality. Consumers would not mind paying the real price for a loaf of bread if they are actually assured that the quality of the bread is excellent. This matter is to be given adequate consideration to satisfy consumers so that the subsidy can be removed gradually. Funds that were used to subsidize bread would then be used for agricultural projects such as cultivating desert areas with crops that can be used for animal feed; making these fertile areas of land, [which were used for growing these crops], available for growing wheat; and benefiting from the integration between Egypt and Sudan by growing wheat and corn.

--People at research centers and universities who have scientific experience and who specialize in milling and baking operations are to be utilized. A researcher is to be assigned to each milling and baking company [for work] in his discipline.

--Yellow corn is to be used in the domestic bread industry: the kernels are to be removed and used to produce oil, feed, and flour for the bread industry.

--A scientific center for bread studies is to be established to improve the quality of the bread that is produced and to provide that bread on a continuing basis.

--Improvements are to be introduced in the bread industry, and economic studies are to be conducted for the purpose of prolonging the period during which a loaf of bread would remain fresh.

--Importance is to be attached to maintenance operations for automated bakeries through a high-level, rigorous training program to develop specialized experience in this area.

--Importance is to be attached to wrapping bread to preserve its softness and its freshness and to maintain sanitary conditions.

The Change in Wages Paid to Workers for Processing a Sack of Flour Weighing 100 Kilograms

The Date	Oven Attendant & Assistant Milliemes	Dough Cutter Milliemes	Two Kneaders Milliemes	a Tulji Milliemes	Total Pounds/Milliemes
From 1 December 1955 to 30 November 1962	096	064	064	020	-.244
From 1 December 1965 to 13 December 1972	120	080	080	025	-.305
From 14 December 1972 to 19 March 1974	135	090	090	030	-.345
From 20 March 1974 to 14 May 1975	180	120	120	045	-.465
From 15 May 1975 to 24 May 1976	225	150	150	058	-.538
From 25 May 1976 to 30 April 1978	270	180	180	058	-.688
From 1 May 1978 to 30 June 1980	375	250	250	095	-.970
From 1 July 1980 to 15 September 1982	750	400	450	200	1.800
From 1 September 1982 to this date	860	460	520	230	2.070

A Report on the Number of Bakeries Producing Domestic, French and Syrian Bread and Their Allotment in the Past 8 Years

Year	Number	Allotment Sack/Day	Bakeries for Domestic Bread	Number	Allotment Sack/Day	Bakeries for Syrian Bread	Number	Allotment Sack/Day	Bakeries for All Kinds of Bread	Average Consumption Daily	Average Daily Con- sumption Per Sack
1974	2,861	4,346	1,148	10,065	212	2,286	80	1,034			
1975	2,894	49,220	1,157	10,171	212	2,286	80	1,034			
1976	2,944	49,895	1,161	10,255	215	2,310	80	1,034			
1977	2,990	55,427	1,182	10,989	215	2,310	80	1,034			
1978	3,007	50,713	1,490	13,852	215	2,310	80	1,034			
1979	3,295	53,175	1,379	10,077	324	3,875	--	--	48,217	11,447	
1980	3,470	60,676	1,328	13,102	458	6,200	--	--	48,302	13,564	
1981	3,686	64,554	1,335	14,364	579	11,140	--	--			
1982	3,770	65,975	1,340	14,740	579	11,140	--	--			

Note: The gradual increase is due to the bakeries that are being established in governorates and administrative districts other than the governorate of Cairo.

--The system of wages at public sector bakeries is to be changed: wages are to correspond to the importance of workers in this area so that the quality of bread can be improved. A decree regulating the affairs of workers at mills and bakeries is to be issued.

--A guidance program is to be prepared to promote the ideal use of bread; all the media, schools and universities are to participate in this program.

--Automation in the process of producing domestic bread is to be expanded. Automated and semi-automated bakeries are to be designed and operated through scientific research, with the participation of scientific agencies that specialize in this area. The public and private sectors are to be given opportunities to produce automated and semi-automated bakeries.

--The pricing policy for corn and wheat is to be reconsidered to encourage farmers to increase production and to reduce the use of these grains in purposes other than those of bread production.

--The private sector is to be given an opportunity to set up small bakeries for producing superior quality bread. In the coming period this would yield the proprietors of these bakeries a clear profit. Production of new varieties of bread that fulfill the wishes of consumers and can be produced economically is to be encouraged.

--A semi-annual report must be published. It is to include a comprehensive survey of the grains that are produced locally and data on the net amount of grain used in industry and imported grain. In addition, the report is to include data pertaining to the distribution of consumption; the factories that are used for [processing] grain, such as mills, hulling facilities, starch plants, feed plants and plants for oils; the costs of these products; and the cost of importing and processing these products. This report is to be made available to researchers so they can use it.

--Each factory or company that has more than 1,000 workers at one location is to be required to set up a small semi-automated or automated bakery to serve this group of workers and the neighborhood in which it is located.

8592

CSO: 4504/118

MINISTER CRITICIZES TAX-FREE ZONE

Cairo THE EGYPTIAN GAZETTE in English 17 Dec 82 p 3

[Text] THE Minister of Economy Dr Mustafa el-Said, criticised the tax-free zone in Port Said describing it as "a negative experience so far". Port Said has featured in the history of the economic open-door policy as the first sea-port in 1575 to be converted into a free zone.

The Minister gave his opinion at a meeting with the youth of the National Democratic Party who are currently receiving an orientation course at the National Studies Institute in Salam City

For the first time since 1965, Dr el-Said said the state is wholeheartedly applying sound planning to the social and economic development plans.

Facing a group of energetic and interested youth the Minister spoke in a frank and objective way about the economic conference held earlier this year. "The conference was not meant to solve our economic problem" he said in answer to a question "instead it aimed to explore the various aspects of the problem. In this respect the outcome of the conference was satisfactory."

In his talk the Minister appealed to the youth delegation to take their part in development activities. "You can play an important role in changing the concepts of your society as that we face the challenges of this phase of the country's history" he said.

CSO: 4500/56

COMMITTEE FORMED TO RATIONALIZE CONSUMPTION

Cairo THE EGYPTIAN GAZETTE in English 21 Dec 82 p 3

[Text] A HIGHER ministerial committee composed of 8 ministers will be formed to study the best way to increase production in all agricultural and industrial sectors, the Minister of Supply, Mr Ahmed Nouh, said yesterday.

In the rally organised by the National Democratic Party (NDP) in Menufia, the Minister of supply also said that the increase of production should be accompanied by consumption rationalisation, with a view to developing self sufficiency by the end of the five year plan.

Speaking on the deep-rooted changes that have been place in Egyptian society, the Minister of Supply said that exports and imports have immensely changed due to changes in consumption patterns.

Our consumption of wheat has gone up to 7.5 million tons whereas local production does not exceed 1.5 million tons, resulting in subsidy increases which came to LE 800 million for bread only the Minister of Supply said.

Egypt also imports 1.5 million tons of maie, Mr Nouh said adding that our consumption of edible oil has reached 420 million tons whereas our edible oil production is not more than 105 million tons.

There is no hope in any development plan unless it is combined with consumption rationalisation, the Minister said giving as an example of our sugar consumption in 1973 when we were self sufficient.

Egypt is currently importing 60,000 tons of sugar to meet the needs of expanding population the Minister of Supply said.

Our plan, the Minister added, is to expand poultry breeding as a substitute for beef and other kinds of meat. Thirty per cent of our cultivated land is set aside for animal feeding.

Following the Minister of Supply, Mr Sayed Zaki, the People's Assembly Deputy Speaker said that the NDP programme depends on a popular move in which all leaders should take part to implement the projects.

DECREES TO PROMOTE INVESTMENT ADOPTED

Cairo THE EGYPTIAN GAZETTE in English 24 Dec 82 p 1

[Text] IN a fresh bid to promote investment through eliminating red-tape and facilitating administrative procedures, the National Investment Authority has adopted 13 new decisions will largely encourage investors to contribute to projects enjoying national priorities.

According to the Minister of International Co-operation and Investment, Dr Wagih Shindi, the National Investment Authority has over the last 2 months approved the implementation of a number of projects larger than that approved during the first 8 months of the year.

Speaking at National Democratic Party rally in Alexandria yesterday, Minister Shindi called for more incentives to be accorded to Egyptian investors who should be treated on an equal footing with the foreign investor.

It is for the first time that the private sector contribute by 25 per cent of the total investment plan amounting to LE 34,500,000,000 at a rate of LE 6,000,000,000 annually, Mr Shindi said.

The Minister affirmed that the present plan differs from the previous ones that it consists of some basic targets for the implementation of which all responsible officials will never escape being questioned.

According to the Five year Socio-economic plan. LE 3.4 billion had been earmarked for public utilities, LE 10 billion for building and construction works in addition to the increase envisaged in the employment structure by 2 million workers during the Five years, Mr Shindi said.

According to the Minister of Planning Mr Kamal el Ganzouri, the plan includes lists of investment activities proposed by the Ministry for the Private sector.

CSO: 4500/56

MARKED DROP IN GOVERNMENT DEBTS

Cairo THE EGYPTIAN GAZETTE in English 3 Jan 83 p 3

[Text] THE Central Auditing Agency (CAA) yesterday praised the policy adopted by the government to minimise the bad effects of general debts. A recent report by the CAA has revealed that the volume of government borrowing from banks and public and private sectors savings showed substantial decrease, compared with past years.

In the fiscal year 1980-81 government borrowing did not exceed LE 120.9 million while it was LE 1,685.9 million in 1979. The decrease in borrowings was due to the government's desisting from issuing Treasury Orders. It was also a result of the governments consuming part of its balance with the Central Bank

Though the government's borrowing policy, so amended, did not show direct results, it is a prelude to considerable financial reform particularly that the government owes the banks LE 5548.7 million.

The Government has also reduced its dependence on loans from the savings of both the public and private sector which amounted to LE 413.7 million in 1979. This went down during the fiscal year 1980-81 as to reach LE 276.2 million

The report however, revealed an important fact. About 82 per cent of the government loans from the savings of the public and private sector were confined to the proceedings of seeling the Invesstment Certificates, which means that the deposits of individuals in banks had never been directly touched.

But how could the government realise such an achievement? The report of the CAA said that the Ministry of Finance used a new way of repaying loans, instead of borrowing to repay.

One of the factors behind this achievement is the new tendency towards financing projects. It assigned to the National Investment Bank to lend money to production and services investment projects.

In the meantime, the government borrowing from the Deposits and Insurance Fund has reached LE 363.4 million in 1980-81 against only LE 215.3 million in 1979, said the report which disclosed an improvement of the volume of national gross production during the last three years against general debts.

INCREASED INDUSTRIAL OUTPUT NOTED

Cairo THE EGYPTIAN GAZETTE in English 4 Jan 83 p 2

[Article by Hafez Fayed]

[Text] THE production of the Ministry of Industry's companies came to LE 4,476 million during the fiscal year 1981-1982 with an increase of 13 percent on the previous year's production said the Minister of Industry and Mineral Resources Mr Fuad Abu Zaghla.

Speaking at a press conference held yesterday to review activities in the industrial sector during the fiscal year 1981-1982, the Minister announced that LE 42.5 million would be distributed between workers in 117 industrial companies in recognition of their efforts.

The Minister also said that local sales of industrial products came to LE 3.992 million an increase of LE 435 million on sales between 1980-1981. Industrial exports during 1981-1982 were at LE 433 million an increase of 4 percent over the previous year, he added.

The total number of industrial sector workers has increased from 601,000 workers during the fiscal year 1980-1981 to 611,000 workers during 1981-1982 total workers wages reached LE 818 million during 1981-1982 an increase of LE 212 million on the previous fiscal year the Minister pointed out.

A plan has been implemented to benefit from the aid provided by the United Nations, the European Common Market, the US Agency for International Development (AID) and Japan to finance training courses and administration development programmes which in 1982 cost \$49 million.

Mr Abu Zaghla added that the Ministry of Industry will concentrate during 1983 on developing Egyptian industrial production to international standards, specially in the field of packing.

CSO: 4500/56

TRADE TIES WITH ROMANIA BOOSTED

Cairo THE EGYPTIAN GAZETTE in English 19 Dec 82 p 3

[Text] EGYPT and Romania have agreed to increase the volume of trade between them up to \$1000 million by the year 1985 which will be ten times the volume of trade between the two countries in 1980 said Mr Ahmed Sarhan the Commercial attache at the Egyptian Embassy in Bucharest.

The Egyptian-Romanian economic group which comprises the Minister of Investment and International Cooperation Dr Wagih Shendi the Minister of Agriculture Dr Youseef Wali and the Romanian ministers of trade and Agriculture has held a series of meetings to discuss a number of topics relevant to economic and trade relations between the two countries.

The Egyptian and Romanian ministers discussed the possibilities of increasing the volume of exports from Egypt to Romania to preserve the balance of trade exchanges between the two countries said Mr Sarhan.

The possibility of the impor of Egyptian phosphate to cover the needs of the Romanian fertilizer factories was also one of the main topics discussed by the Egyptian and Romanian ministers.

The two sides have also discussed the date in which the unusual meeting of the Egyptian-Romanian economic group will be held in the light of decisions reached by the Egyptian and the Romanian Presidents last September Mr Sarhan pointed out.

The Ministers have also decided to implement a project for the production of cement in Aslsit Governorate. The project will comprise two production lines with a capacity of one million tons of cement yearly. The also discussed possibilities for the export of Romanian cement to Egypt to cover the needs of housing projects.

In the field of Agriculture the two sides have agreed to establish a number of centres for the maintainence of agricultural equipment in Egypt as well as the export of Romanian tractors to Egypt.

The two countries will also co-operate for the establishment of joint projects for the production of fruits to cover the needs of Egypt and to export the surplus to foreign countries, said Mr Sarhan.

A Romanian delegation will visit Egypt within the coming few weeks to discuss with Egyptian officials possibilities for the establishment of joint ready-made clothes factories. The project aims to export a large part of the production to foreign countries to obtain foreign currency said Mr Sarhan.

CSO: 4500/56

EDITORIAL CONDEMNS CONTAMINATED FOOD SALES

Cairo THE EGYPTIAN GAZETTE in English 4 Jan 83 p 3

[Editorial]

[Text]

THE phenomenon of serving or selling bad food, commonly characterised as unsuitable for human consumption, has assumed grave proportions. Quite recently, a police swoop on Cairo restaurants led to the discovery of adulterated meals served by a highly renowned first-class restaurant. Further investigations showed that some co-operative societies were also selling bad foodstuffs, that rotten meat and chicken were available in large quantities, that ghee and butter processed and canned in the early and mid seventies is still sold to customers at exorbitant prices and that private as well as public sector firms are making an extremely lucrative business out of trading in spoilt foodstuffs.

Since the selling or serving of such foodstuffs is, in itself, a most hideous act amounting to homicide, and hence may be considered by all standards a crime of the first order, and in view of the public panic and consternation caused by the publication of such news, various attempts have been made to identify the people responsible for the act. Accusations were bandied here and there, with each authority endeavouring by all means, devious as well as straight forward, to absolve itself from responsibility while taking great pains to lay the blame squarely on another authority. Thus it has been argued that dock workers are primarily responsible since they keep imported food either on freighters or on harbour quays for a long time before taking the trouble of clearing it, paying little or no

attention to the fact that such foodstuffs are usually perishable and should be disposed of as quickly as possible. But harbour officials, in turn, find no difficulty in shoving the blame on the Health Ministry, who, as they say, is responsible for analysing samples of food imports before licensing their sale. Officials in the Health Ministry, in turn, argue that the root of the problem is the lack of storage facilities. Food imports constitute such a big bulk that existing cold stores fall short of accommodating an ever-growing influx of foreign food. Such foodstuffs, mainly meat and dairy products, are therefore left outside cold stores until a licence is obtained for their clearing and then until means of transport are procured for conveying them to retail traders in the different governorates, and then until consumers are notified of their presence. During these intervals, by no means short, the foodstuffs go bad. And the problem is exacerbated as population grows, and as the need for greater food imports becomes more and more pressing.

If this is the real cause of the problem, then the state should either impose very severe restrictions on food imports, such that would drastically minimise them and hence remove the problem of storage, or immediately embark on the alternative solution of expanding the storage facilities without cutting on imports. Since the first option is impracticable considering the fact that locally produced meat, for example, constitutes only 30 per cent of the meat consumed, it follows that expanding cold stores and developing other appropriate methods of conveying perishable commodities before they go bad is vital for public health and security. Although this is naturally the more expensive of the two options, it will not seem so expensive if we consider the fact that an L.E. 500 million worth of foodstuffs is annually burnt by authorities, apart, of course, from an equivalent sum spent on the medical treatment of people who get poisoned through eating smuggled food.

MORE CONTROL ON FOOD IMPORTS IMPOSED

Cairo THE EGYPTIAN GAZETTE in English 12 Dec 82 p 2

[Text] THE Higher Committee for Imported Foods Control yesterday held a meeting under the chairmanship of Dr Mostafa Kamal Helmi, Deputy Prime Minister for Service and Minister of Education and Scientific Research, to discuss the new procedures to tighten control on imported food.

Following the meeting Dr Sabri Zaki Minister of Health said that a number of laboratories have already been established at Egyptian harbours to analyse the spot. These laboratories, said the Minister have been provided with the most up-to-date scientific equipment to agree with international standards.

The Ministry of Health has also decided to renovate and replace a number of laboratories supervised by the ministries of health and agriculture for the same purpose.

The committee's meeting was supervised by the ministries of Finance, Supply and Home Trade Agriculture and Economy, and Foreign Trade, as well as by Governors of Port Said and Suez.

Meanwhile, the Ministry of Supply and Home Trade has decided to put up for sale 800 tons of frozen chickens and 850 tons of imported and locally slaughtered meat for Moulid el-Nabi anniversary of the Prophet's birth and Christmas, said Mr Mohamed Amin Ezz el-Arab, Chairman of Al-Ahram Cooperative Company.

He added that all the company's cooperatives will be open from 9 am to 11 pm on December 26 and 27 to sell food to the citizens on these occasions.

The company will also put up for sale 500 tons of fresh and frozen fish in addition to two million eggs, 500 tons of beans, 1,000 tons of sugar, 300 tons of flour and 400 tons of oil to cover the needs of the citizens in the various governorates said Mr Ezz el-Arab.

CSO: 4500/56

PUBLIC EXPORT FIRMS LOSE TRADE

Cairo THE EGYPTIAN GAZETTE in English 17 Dec 82 p 3

[Text] THE Central Auditing Agency reported that foreign trade companies had lost their role as exporters and importers and were losing money. These companies, the report said had also failed to distribute the bulk of their goods and instead had confined themselves to working for others for commission.

According to the Central Auditing Agency report, these companies' activities shrank to 8.4 per cent of the gross national exports. Their exports were valued at LE 201.7 million in comparison with the LE 784.5 million which petroleum exports alone came to

These companies also lost potential management of the distribution of agricultural products and lost money exporting potatoes, citrus fruits, rice and onions.

The report also criticised how these companies imported goods. It reported that imports through these companies only amounted to 3.7 per cent of all national imports which meant that these companies have almost entirely lost their role as importers and are no longer able to influence supply and demand which was their original purpose.

The report went on to mention that these companies now worked for others on commission and therefore the total commission jumped from LE 7.2 million last year to LE18.3 million this year

The report, out how weak these companies home trade was.

The companies are unable to distribute the goods produced at the Tractors and Engineering Company, the Nasr Company for Exports and Imports, and the Misr Company for Car Trade.

The report mentioned a number of these companies' losses which were as follows:

LE 85,000 for the Nasr Company for Exports and Imports in addition to a rise in the operation costs of seven foreign branches particularly those in Syria, Jordan and Liberia.

A number of unsound transactions which have been concluded by the Misr Foreign Trade Company which gained nothing from its participation in the Melbourne (Australa) Cultural International Fair which was very expensive to attend

Expences in the foreign offices of the Misr Exports and Imports Company have so high that they came to more than the volume of trade. This is particularly so in the Mogadishu and Addis Ababa offices.

The Arab Foreign Trade Company has sustained LE 14,000 losses in an export transation of 800 cotton balies in addition to LE 11,000 losses in the Yemen Oaffice as well as a great loss in a transaction made for Twefik Abdul Haii.

The report concluded that all these companies are suffering from imbalances in their financing structures owing to unsold goods and public sector debts and high interest rates on overdrafts.

CSO: 4500/56

PLAN TO REORGANIZE PORT SAID DISCUSSED

Cairo THE EGYPTIAN GAZETTE in English 31 Dec 82 p 2

[Text] THE People's Assembly Economic Committee yesterday discussed the reports of the Central Auditing Agency on the Port Said free zone. The matter has been a controversial issue in the past months because all evidence has shown that the free zone does not effectively contribute to the country's economy.

The Minister of Investment and International Cooperation, Dr. Wagih Shendi, who attended the meeting said that it is time to reconsider the situation in Port Said and to try to convert the city into an industrial centre for exporting.

Dr Shendi said that the savings of Port Said should be channeled into production for the sake of national development. The Minister urged drawing up administrative schemes for the project.

Citadel

The People's Assembly yesterday heard an answer from the Minister of Tourism and Civil Aviation, Mr Tewfik Abdu Ismail, about a query made regarding his Ministry's plan to clean up the area round the Citadel.

The Minister said that LE two million had been allocated for the project. This sum will be spent on evacuating the military units which are stationed there. However, the whole operation, he added, will cost L.E. 7.5 million.

Army

The Citadel of Saladin, with the Ottoman-style Mosque of Mohamed Ali at its top, is one of the landmarks of Cairo. Since the 1967 War, the site and premises of the Citadel have been occupied by the army.

The waste water and negligence led to one building nearby deteriorating. The artistic and historical value of the citadale can never be ignored and this is why the government is currently giving a comprehensive face-lift of the Citadel area.

CSO: 4500/56

WRITER REVIEWS BRICK SHORTAGE, SOLUTION

Cairo AL-AHRAM in Arabic 22 Dec 82 p 9

[Article by 'Abd-al-Karim Ya'qub: "The Law Punishing Removal of Topsoil, in the Context of a Shortage of 2.5 Billion Bricks!"]

[Text] Now that the Legislative Oversight Committee has approved the draft Agriculture Law, which stipulates that removal of topsoil in farmland is to be punished by imprisonment and fines and gives the owners of brick factories a period of 9 months to come up with alternatives, the question that now arises is, will that result in the elimination of the gravest problem facing farmland in Egypt? Before spelling out this period in the case of brick factories, have we thought of providing them with alternatives to bricks, so that they will not be compelled to close their doors, release thousands of workers and add to the complexity of the housing problem?

Statistics have shown that Egypt's brick requirements up to 1985 are estimated at about 5 billion bricks, while the volumes of local brick production in public and private sector factories are estimated at about 2.4 billion, that the volumes of brick from factories that are being built or have obtained agreement from the Investment Authority are estimated at about 1.3 billion, and thus that total production in 3 years will come to 3.7 billion bricks or thereabouts.

If we take into consideration the fact that some existing red brick factories will stop producing because there is no possibility of developing them and that their production is estimated at about 800 million bricks, total brick output in existing factories and those whose construction has been contracted for will come to 2.9 billion bricks. Consequently, the capacity of the new plants that ought to be built during this period will not be less than 2.1 billion, if they are to cover all needs.

In the Giza area, which is considered one that is suffering the most from this problem, the lands that have been stripped of topsoil in the last 20 years are estimated at about 60,000 feddans of the most fertile high grade land in the governorate.

Eng 'Abd-al-Raziq Badawi, deputy minister of agriculture for the Governorate of Giza, says:

"The problem of the removal of and encroachment on topsoil constitutes a very obvious phenomenon in Giza. This phenomenon has become more serious following the increases in red brick prices, and the stripping of the land has reached a depth of 3 meters, including the fertile layer, which is rich in the food elements and materials needed for plant growth. As a result, much of the stripped land in the governorate has been turned into areas into which adjacent land is drained, and these lands have been turned into ponds and swamps in which the groundwater has risen, making it difficult to farm them."

He added, "We have written out 3,489 citations in the past 3 years, 639 of them last year against the stripping off of land, but these citations, in my opinion, are of no deterrent value, because the revenues from the stripping of the land are large, coming to 40,000 pounds per feddan, and there still are loopholes in the law through which persons committing violations can extricate themselves."

Concerning the brick plants located in Giza, Eng 'Abd-al-Raziq Badawi says, "There are 256 plants in the governorate, 147 of which have no license. In the event the fitness of clay brick for use is proved, these factories will have to be requested to develop their production lines to use that instead of establishing new plants and to provide clay components from it at reasonable prices. It will be necessary to resolve the dispute that now exists on the feasibility, load strength and production economics of clay brick through a Construction and Specialized Materials Research Institute Committee."

Eng 'Abd-al-Rahman al-Shadhili, chairman of the Agrarian Reform Authority, says:

"The issue of the stripping of farmland for the brick industry has become a serious one now, in view of the extremely harmful effects that have arisen from it, since it has become a business which many people are pursuing: a stripped feddan goes for about 30,000 to 40,000 pounds, destroying the fertility of the land and affecting the production of crops. Let us not forget that banana cultivation, which needs fertile land, has been severely affected this year because of the increased stripping off of fertile land, especially in the islands situated on the Nile, where this serious topsoil removal process is common.

"The question that arises is, why don't the people who own the brick factories shift, in accordance with the law, invest now in the manufacture of clay brick, and defray the expenses of that, now that they have benefited greatly from the exploitation of the soil of the land, by using fallow areas outside the towns as well as silt extracted from the canals to help expand the plants?"

Eng Mahdi Shuman, chairman of the Agriculture and Irrigation Committee in the People's Assembly, says "The issue of the removal of agricultural topsoil will be related to the issue of housing, for a limited period, until an alternative to red brick emerges. Since this process of stripping in order to manufacture brick is a waste of fertile soil, a large part of which has been taken from the peasants, and of fertilizing ingredients -- to the point where it has reached this and other levels -- the land is turning into a desert which will reach the top limits of productivity only after many years, and perhaps the water level in the ground will rise above its present level, so that the land

will turn into swamps, especially since the new lands where horizontal expansion has taken place are still in the stages of preparation and fertilizer application and cannot be relied on during this period."

He added, "Therefore we must protect the soil and stop every form of encroachment on it, whether that involves the removal of topsoil or the construction of buildings. Since the housing problem is the principle one the government is concentrating on solving now, and one of the elements that the solution to this problem will entail is the provision of construction materials, including brick, getting the factories to suspend operation without specifying an alternative to cover their needs will result in paralyzing the solution to the housing problem."

Mahdi Shuman added, "In the face of this difficult equation, we must exert every effort to establish clay and sand brick factories, especially since the raw materials are available. To the extent that bricks are produced by such factories, we will, on the other hand, be able to stop the process of topsoil removal and it will be possible to turn factories now producing red brick into clay and brick factories."

What, finally, are the views of factory owners? Kamal Muhammad 'Abdallah, owner of a red brick plant in Warraq al-'Arab, says, "We have nothing against developing our factories, on condition that the government help us do so by providing substitute bricks, since we do not yet know where in Egypt this clay exists, since it is not soil that is native to our country but rather resulted from ancient floods and differs according to types, none of which, in my opinion, are suited to brick manufacture or able to replace red brick. In addition, clay needs substantial equipment and resources, and there is no reason for the law to give me a period of time if I do not have other alternative sources to manufacture bricks with except silt. That means that I should shut down the plant and release the workers I have."

He said, "The recent rise in the prices of red brick came about as a result of people's fear of incurring penalties or stripping activities which can go up to a year in prison and a fine; this has caused the price per meter of soil to use by 500 pounds. Whereas I once produced 40,000 bricks a day, I now am producing only about 15,000, because of the lack of raw materials and labor, since many workers in the brick factories have turned to other occupations, out of the fear that this occupation will decline -- at a time when my plant needs no less than 70 workers."

Sami Shafiq Shahatah, an agricultural engineer and owner of a red brick plant in Imbabah:

"Topsoil removal has now become a rarity, because of people's fear of punishment, and we have now started to rely on soils obtained from the digging of foundations for new buildings since we bring them here and use them to manufacture the brick.

"In my opinion, this industry is no longer profitable."

In the face of all the foregoing, the Ministry of Reconstruction and Development has prepared a plan to supply brick in coming years which will include developing the existing red brick plants that can be developed in a manner which will make it possible to use desert clay in the form of silt and construct new plants to produce light brick with a productive capacity of 340 million bricks of different patterns, distributed among four production lines with a productive capacity of 85 million bricks each, in the Portland Cement and Sand Brick, al-'Amiriyah Cement, and Mineral Resource Companies.

The plan also includes the establishment of plants to produce gypsum blocks equivalent to 480 million bricks of different patterns by establishing two plants in the National Cement Company in al-Tabin and the Gypsum and Stone Quarry and Marble Company in al-Burgan, with a capacity of 240 million bricks each, as well as plants to produce other alternatives in the form of bricks (basaltic and iron ore slag brick) with a productive capacity of 840 million bricks of various patterns, and establishing central quarries for producing and supplying raw materials for ceramic clay in Kawn Hamid and Wadi al-Hayy.

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CSO: 4504/128

BRIEFS

FRG AID--Bonn--Dr (Keller), the undersecretary of the FRG Ministry of Economic Cooperation, has asserted that there will be no reduction in the development aid advanced by the FRG to Egypt in the coming years. At his meeting with the chief editors of the Egyptian information media, Dr Keller also asserted that Egypt still represents the center of weight insofar as the development aid advanced by the Bonn government to the developing countries is concerned. He expressed the belief that the Egyptian-German cooperation is of special importance to bolstering the peace process in the Middle East, even in the Mediterranean area generally. The German official further asserted his country's readiness to offer all the aid it could to Egypt within the framework of its resources and in light of the economic conditions being undergone by the Federal Germany. He said: We have the sincere desire to strengthen the economic and social development processes in Egypt. We are also prepared to encourage the German private sector to engage in broader activity in Egypt. Dr Keller noted the aid being advanced by the German Economic Aid Agency which is currently participating in implementing the project to set up a plant to produce Volkswagen cars in Egypt. He said: We will exert efforts to bolster the agency's activity in Egypt. The undersecretary of the FRG Ministry of Economic Cooperation lauded at the meeting the development of the Egyptian-German relations, especially in the sphere of economic cooperation. He said that the total volume of the development aid advanced by the FRG to Egypt from 1973 to 30 June 1982 amounted to 3.7 billion Deutschmarks. [Text] [Cairo AL-JUMHURIYAH in Arabic 11 Dec 82 p 1] 8494

NATIONAL FAMILY PLANNING CAMPAIGN SOON--A LONG-TERM national campaign on family planning is to be organized for three months starting as of next February, Mr Safwat El Sherif, the State Minister for Information said yesterday. Mr El Sherif who was speaking following the opening ceremony of the first training session for journalists and editors of local newspapers also urged workers in the local press field to fully shoulder the responsibility with the state bodies to find a solution for population blast facing the nation. The training session held at the press syndicate is aimed at activating the role of local press in calling for family planning. [Text] [Cairo THE EGYPTIAN GAZETTE in English 19 Dec 82 p 2]

STUDY INDICATES POSSIBILITY OF SELF-SUFFICIENCY IN MARBLE, TILE PRODUCTION

Tripoli AL-MUNTIJUN in Arabic 4 Dec 82 p 2

[Article: "Outcome of Study on Raw Materials for Producing Decorative Stones and Tiles: Possibility of Producing Colored Marble Slabs to Replace Imported Marble; Study on Local Granite Produces Superior-Quality Local Tiles"]

[Text] Is it possible to supply the raw materials needed for the decorative stones and tile industry from our country's quarries which abound externally and internally with sizeable but as yet undiscovered quantities [of stone]?

Such a question would have remained hanging without a positive answer had not a scientific field study proving that this is possible been conducted.

Yes, it is possible to supply locally the materials needed for the decorative stones and tile industry.

Yes, millions of kilograms of Libyan stones could not have been made available without the project to study these materials. Tests have been conducted on these materials and these tests have produced the following result:

It is possible to get polished and colored slabs to be used as a substitute for the marble we import from abroad.

As an initial idea, we say: Stop as of now the importation of marble and turn to the outcome of the semi-industrial tests on the calcareous rocks which can give us immediately substitute local marble in all the desired colors that meet all tastes for use in buildings. The marble comes in brown, dark grey, beige with an attractive natural decorative pattern and light red.

Why Do We Demand Stopping Importation?

Let us reverse the question: Why shouldn't we stop importation as long as we have the very encouraging results of a scientific study and why shouldn't we stop importation to save our public treasury more than 3.6 million dinars spent [annually] for imported decorative marble when the alternative is available locally "dirt cheap"? All that is needed is to transform this

soil into marble or something close to marble. As for granite, it is available in large marketable quantities sufficient to supply our marble industry. So that the citizen himself may know the results, we present to him the outcome of the three stages of the scientific report prepared by the Industrial Research Center which also conducted the study on the raw materials for the decorative stones and marble industry.

Scientific Report

In view of the enormous construction development being witnessed by the Jamahiriyah since the inception of the great 1 September revolution and of the constant growth in the consumption of the various kinds of construction materials, including marble, granite and tile which amounted in value to nearly 3.6 million dinars [last year], and to achieve the goals of the development plan, the center conducted in the 1981-82 period a study on the possibility of supplying the raw materials needed for the decorative stones and tile industry. The study covered 10 sites in the western and central provinces of the Jamahiriyah. The first phase of the study indicated that there are three hopeful sites where stone in basic colors can be made available. These sites are:

- A. Ra's al-Dali in al-'Aziziyah where the colors are dark brown, grey and black.
- B. Al-Qarrah al-Qabaliyah al-Mahruqah in Wadi al-Shati', with a natural decorative pattern.
- C. Wadi Maymun in Bani Walid where the colors are dark brown, beige and light red.

During the second phase, detailed geological and technical studies were conducted, in addition to the semi-industrial tests, on the calcareous rocks in the three areas. These studies have proven the suitability of these raw materials for producing polished slabs that can be used as substitutes to marble in covering inner and outer walls and in building steps. Moreover, it has been also proven that the granite produced from these rock layers is suitable for the production of tiles. These products can meet a large part of the local needs.

The final report on the second phase of the study has proven the presence of raw material reserves that can be mined for industrial purposes. It has also determined the methods of mining and the equipment needed in each site. A preliminary economic study has also been conducted on the possibility of using the raw materials in the production of marble and granite.

Following is a summary of the results reached in each area:

- A. Ra's al-Dali in al-'Aziziyah:

The study shows the possibility of mining annually 12,000 cubic meters of rock that can yield 3,000 cubic meters of block stones fit to be cut and

produce 60,000 square meters of polished slabs annually. Granite can also be produced from the 9,000 cubic meters of cuttings [left behind after producing the 3,000 cubic meters of block stones] when these cuttings are crushed and sorted. The study shows that it is possible to set up a tile plant in al-'Aziziyah with an annual production capacity of 180,000 square meters. The study further proposes setting up a plant to cut and polish slabs in al-'Aziziyah.

The proven mass rock reserves that can be mined to produce polished slabs and granite have been estimated at the following:

<u>Mining Level</u>	<u>Mass Rocks (cubic meters)</u>	<u>Granite (cubic meters)</u>	<u>Total (cubic meters)</u>
+225 meters	51,429	47,374	98,803
+215	114,642	142,756	257,398
+205	71,296	193,906	265,202
+195	23,620	129,093	152,713
Grand Total	260,987	513,129	774,116

These raw materials can be utilized for a period of nearly 43 years at the following annual mining rates:

<u>Mining Level</u>	<u>Mass Rocks (cubic meters)</u>	<u>Granite (cubic meters)</u>	<u>Total (cubic meters)</u>	<u>Period in Years</u>
+225	3,000	9,000	12,000	8.6
+215	3,000	12,000	15,000	19.1
+205	3,000	25,000	28,000	11.9
+195	3,000	50,000	53,000	3.9

B. Al-Qarrah al-Qabaliyah al-Mahruqah:

The study shows that it is possible to mine annually 15,000 cubic meters of calcareous rocks in the mass raw material area. This volume can produce 6,000 cubic meters of stone blocks fit to cut into slabs, with the capacity of yielding 120,000 square meters of slabs annually. As for the cuttings, amounting to 9,000 cubic meters annually, they can be crushed and sorted to produce enough granite to meet the needs of a tile plant with a production capacity of 180,000 cubic meters annually. There will also be surplus granite that can be used in other areas.

The average thickness of the crude rock is 5.4 meters. The following demonstrates the reserves that can be mined:

<u>Site</u>	<u>Mass Rock (cubic meters)</u>	<u>Granite (cubic meters)</u>	<u>Total (cubic meters)</u>
Inside Mass Rock Area	1,043,519	467,810	1,511,329
Outside Mass Rock Area	-	1,083,012	1,083,012
Grand Total	1,043,519	1,550,822	2,594,341

The crude rock mass can be utilized for a period of nearly 100 years. Consequently, the study proposes setting up a plant to cut mass rock into slabs and polish them with an annual capacity of 120,000 square meters that can meet the area's needs.

C. Wadi Maymun in Bani Walid:

The study shows that the main raw material in this area is granite for the production of tiles, followed by mass rocks that can be processed to produce polished slabs. A volume of 14,300 cubic meters of mass rock can be mined to yield 1,000 cubic meters of stone blocks that can be transported to Tripoli and to al-'Aziziyah plant to be cut into slabs and polished. The rest, amounting to 13,300 cubic meters, can be crushed and sorted to produce granite to supply a tile plant in the area with a production capacity of 180,000 square meters annually. There will also be a granite surplus that can be processed in other areas.

The study proposes setting up a crushing and sifting unit near the raw material site to crush and sift nearly 100,000 tons of stone accompanying the raw material and fit for use in construction.

The reserves that can be mined in field A and B in Wadi Maymun have been calculated as follows:

<u>Type of Rock</u>	<u>Average Thickness (in meters)</u>	<u>Mass Rocks</u>	<u>Granite</u>	<u>Loss</u>	<u>Total (in cubic meters)</u>
Hard calcareous rock	3.7	-	439,300	257,300	696,600
Red calcareous rock	0.6	11,500	106,500	4,400	122,400
Mass calcareous rock	2.1	84,100	389,000	32,600	505,700
Grand Total	-	95,600	934,800	294,300	1,324,700

Calculating the period of utilization of the mass rock raw material and granite in the two fields, we find that the red and mass calcareous rock can last for nearly 44 years on the basis of mining 14,300 cubic meters annually. As for the hard calcareous rock, it can last for 28 years on the basis of producing nearly 248,000 cubic meters [sic] annually.

Semi-Industrial Tests:

A total of 50 rock samples from the three sites were cut at the plant of the Public Tile and Construction Materials Company in Tripoli. The samples were cut into slabs and polished locally. Three semi-industrial tests were also conducted on granite produced from the three sites. The tests have proven the suitability of this granite to produce tiles, considering that its quality is no less than that of imported granite. Moreover, the stone loss in the cutting and polishing plant can be used for the production of mosaic tiles.

A general schematic for the equipment and instruments to be used and on their estimated cost has been drawn up on the basis of the semi-industrial tests.

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CSO: 4504/112

SUDAN'S DEBTS BETWEEN SIX AND EIGHT BILLION DOLLARS

London AL-MAJALLAH in Arabic No 144, 13-19 Nov 82 p 44

[Text] At a time when the "Mexican crisis" predominated over other monetary and banking news, a similar, yet smaller, crisis was getting more serious on another front: the crisis of Sudan's debts.

Sudan's debt problem began taking alarming dimensions since the first quarter of this year; however, the measures taken by the Sudanese Government for scheduling these debts inspired some optimism about the possibility of Sudan's ability to contain this crisis before it drew international reaction. However, Sudan's financial situation was worsening since the beginning of last October, which led to a suspension of all agreements reached by the Sudanese Government, pending a complete and radical reassessment by Sudan's creditors' decision to freeze previous scheduling agreements was taken last September as a result of two main factors:

First: The deteriorating domestic economy of Sudan, to the extent that the Khartoum Government found it difficult to service its debts in accordance with previous commitments, especially Sudan's failure to make interest payments for the months of June and September, amounting to 22 million dollars per month, due to the commercial banks on loans of 600 million dollars already re-scheduled during December 1981.

Second: More important, the Sudanese actual debt burden became clearer, specifically as it was found to be much larger than what western banks estimated, a fact which hindered whatever urgent negotiations were needed to reschedule the debts. What, then, were the reasons?

Chaotic Borrowing

Throughout the seventies, the Central Bank of Sudan, the ministries and the government institutions used to borrow from various sources without the least coordination among themselves. Throughout the last 3 years, the Central Bank of Sudan and its advisor "Morgan Grunfel" the British commercial bank, attempted to determine the volume and type of Sudan's loans. Since then, the size of the loans burden gradually became clearer. In 1981, Sudan's total debts were estimated at 4.9 billion dollars. By mid 1982, the estimates rose to 5.2 billion dollars, according to the budget report submitted by the Minister of Finance on the 31st of last May. This report indicates that, of Sudan's total loans, 1.2 billion dollars are compounded loans payable to a large number

of lenders, the most important being the World Bank, the African Development Bank, and the Arab and Islamic monetary funds. Another 3 billion dollars are bilateral loans and 1 billion dollars are in banking facilities and credits.

In mid-September, Sudan's estimated debts rose again to 6 billion dollars with a possibility of reaching 8 billion dollars. In spite of this sizable amount, the estimation process continues and the fear of still higher estimates prevails.

Naturally, with this reality, previous scheduling arrangements failed, since they were not based on a true picture of the volume of Sudan's debts. The prevailing belief now is that the only way to enable Sudan to meet its financial commitments is the radical scheduling of its debts.

International Monetary Fund (IMF)

The present semi-official consultations indicate that the resolution of the Sudanese crisis must be through the IMF. In this context, the Sudanese Government hopes to obtain conditional loans from the Monetary Fund. The previous loan of 198 million dollars from the special drawing rights (3,212 million dollars), which had been approved in January 1982, was cancelled in mid-September as a result of negotiations between the Sudanese Government and the Fund following the Toronto convention. These negotiations were expected to result in the Fund's payment of the eighth installment of the loan due in June.

In withholding payment of the second installment of Sudan's loan, the IMF used as a pretext Sudan's failure to abide by its conditions to lift restrictions on the transfer of foreign currencies. Sudan's lifting of the restrictions, just prior to the Toronto convention, encouraged belief that the last obstacle was removed for payment of the second installment of the Fund's loan. However, the uncovering of the latest estimates of Sudan's total debts prompted the IMF to renegotiate the new loan.

Sudanese government sources expect approval of a new loan by the IMF, for 1 year only. In spite of the fact that the amount of this loan was not known until the beginning of the current month of November, the Sudanese sources concerned believe it will exceed 198 million from the special drawing rights, approved by the Fund early this year.

New Conditions for Lending

It is expected that the IMF will impose stringent conditions on the new loan to Sudan. IMF sources state that the conditions include:

- Eliminating all government subsidies on basic consumer goods including sugar, wheat and oil.
- Imposing definite limits on government spending.
- Deciding on a firm limit on the growth of money supply.

The Government of Sudan appears to have completed most of the subsidy cancellation proposal, however the IMF's stringent position in this respect is likely to result in expediting the implementation period, which was originally set for 18 months.

On the other hand, preparations are underway for a large meeting including all of Sudan's creditors to discuss a program of cooperation between the two sides and to decide on a long term plan to reschedule all of Sudan's debts. Most banking observers believe that these long term arrangements represent the only hope for Sudan's financial crisis.

12284

CSO: 4504/122

ECONOMIC SLUMP WORSENS

Paris AN-NAHAR ARAB REPORT & MEMO in English No 42, 6 Dec 82 pp 3-6

[Text]

The devaluation of the Sudanese currency carried out last month to satisfy the IMF immediately failed to achieve one of its major objectives, unifying the official and so-called free market exchange rates. Within hours of the announcement that the official rate had been adjusted from 90 piastres against the US dollar to SL 1.33, the black market rate had shot up from SL 1.52 to SL 2.00, and the following day rates of up to SL 2.50 to the dollar were being quoted.

The government meanwhile closed schools and colleges because there was no gasoline to transport students, and rationing was further tightened. Motorists are now allowed to buy only three gallons (about 13.5 litres) of gasoline every three days, and it is widely believed that they will soon be rationed to three gallons per week.

Although the long-term future of domestic oil production is bright, Sudan appears to have no hope of raising enough foreign exchange from exports over the next three years to cover its oil needs. Latest and hitherto unpublished figures from the Bank of Sudan show that the country's foreign trade position is indeed desperate.

According to the Central Bank's latest annual report, published last April, the import sector which showed the largest increase in 1980 was food; the cost of sugar purchases alone rose by SL 97.1 million to SL 117.6 million, and the total food bill by SL 132.6 million to SL 192.2 million. The following table, extracted from the report, gives details of major import commodities between 1977 and 1981.

The figures for sugar are startling, in particular because by 1979, when the Kenana Sugar scheme became operational, Sudan was emerging as a major sugar producer. To a limited extent the rise in sugar import costs was due to increases in world prices (the quantity of sugar imported fell by 42,000 tonnes in 1979). But the Bank's report shows that the volume of sugar imports almost doubled, from 155,608 tonnes in 1979 to 301,234 tonnes, before falling back to 191,390 tonnes in 1981.

This occurred precisely at the moment that Kenana came on stream and domestic output surged from 129,842 tonnes to 207,624 tonnes in 1980-81. The Bank's report explains this as a reflection of rising consumption, but this is quite implausible.

It is an open secret that large amounts of sugar are smuggled, to neighbouring Chad and Ethiopia as well as to Saudi Arabia. One seasoned observer of the Sudanese economy went as far to estimate that the difference between what was imported and what was in fact consumed was entirely smuggled. Cumulative sugar imports for the period 1977-81 totalled 987,619 tonnes, with domestic output at 885,240 tonnes; the aggregate is about 57,000 tonnes short of the Bank's consumption figure for the period in question. A more realistic figure for consumption would however give a smugglers' surplus of around 135,000 tonnes, or 27,000 tonnes a year.

This explains why, in the words of one official, "sugar is the most sensitive commodity in political terms." Increases in the retail price of gasoline, however, unwelcome, would be tolerated by the public, he said; people were less prepared to stand for rises in sugar prices, or for gasoline shortages.

Latest figures from the Central Bank show that sugar imports in the first two months of this year totalled 35,600 tonnes, worth SL 15,593, all of which came from Belgium. It may be no accident that Sudan's official foreign reserves on June 30 this year included the equivalent of SL 958,000 in Belgian Francs on current account and a further SL 6.97 million in Belgian currency securities, SL 5.8 million of which were acquired since December 31, 1981. Sudan may have no dollars to buy oil, but it can continue to import Belgian sugar for some time.

Sugar smuggling is, however, likely to diminish in the immediate future as the result of the removal of retail price subsidies early in 1981, part of a series of policy steps adopted in agreement with the IMF; the retail price of sugar is now above world levels, and it is hardly worth a smuggler's while.

Other policy changes which came into effect about the same time and which may have been negotiated with the IMF (although officials in Khartoum are very reluctant to discuss any details of agreements with the Fund) are designed to improve the output and exports of cotton, traditionally Sudan's leading hard currency earner.

The government has abandoned its joint accounting system, which was thought to act as a disincentive to farmers, in favour of an individual accounting system. Under the former arrangement, the authorities deducted a percentage of total cotton revenues as tax, then took a cut for the Sudan Cotton Corporation. Finally it also deducted the price of subsidised fertilisers, seeds and other inputs and divided the residue among farmers on the basis of the number of feddans (1 feddan = 0.45 hectares) they had under cotton. The new system, which

Major Sudanese Import Commodities, 1977-81
(in SL millions)

Commodity	1977	1978	1979	1980	1981
Oil products	44.3	49.9	71.9	169.6	168.3
Sugar	13.4	18.9	20.5	117.6	75.8
Wheat	6.5	5.9	9.7	18.4	26.9
Flour		2.9	12.3	17.9	26.5
Other foods	15.8	27.2	17.3	38.3	46.5
Drinks and tobacco	6.1	6.9	3.2	5.5	15.6
Chemicals	32.7	41.6	48.8	70.4	71.1
Metal manufactures	20.8	32.8	42.2	54.1	70.6
Other manufactures	42.2	55.5	51.6	79.8	113.6
Machine parts	71.2	60.1	38.7	51.8	47.0
Non-electric machines	34.1	26.6	32.0	44.4	37.5
Other machinery	20.3	25.3	29.9	31.9	36.0
Automobile spares	12.9	22.3	33.1	27.6	36.7
Lorries	8.7	11.7	14.0	11.8	21.4
Other transport	18.1	23.5	23.8	15.2	35.2
Textiles	28.2	37.4	26.7	30.4	30.3
Total*	376.5	449.5	477.3	788.2	866.7

* Figures rounded, therefore do not exactly total.

Source: Central Bank of Sudan, *Annual Report 1981*

has dispensed with the government's own cut and thus leaves more for distribution among farmers, divides revenue not only on an acreage basis but also in terms of yield: it thus encourages more productive units and a harvest of 600,000 bales has been forecast for 1982, an increase of 155,000 bales on last year. Crop yields have already improved by 50 per cent for long staple, to 3.3 qantars per feddan and by 70 per cent for other strains, to 3.6 qantars (1 qantar = 50 kg of ginned cotton).

The 1981 harvest was, however, the lowest for 20 years and Sudan is unlikely to see its cotton export earnings rise within the next two or three years to the levels of the mid-1970s.

As a further incentive to exporters, the Cotton Corporation has for the first time announced prices in advance of the harvest and authorised sales denominated in currencies other than the US dollar: purchasers of Sudanese cotton may now pay in Swiss Francs, Deutsche-marks, Sterling or Japanese Yen. But a 25 per cent price cut agreed with Egypt which took effect last March 17 will dampen the value of exports. As the above table shows, the relative importance of cotton among Sudanese exports has shrunk over the past five years:

Largely as a result of the disastrous 1981 harvest, which was hit by whitefly and honeydew pests, cotton exports slumped from 43 per cent of total export earnings to 19 per cent last year, but while there are no signs of an improvement in output this year, exports in the

Major Sudanese Export Commodities, 1977-81
(in SL millions)

Commodity	1977	1978	1979	1980	1981
Cotton, long staple	100.0	71.2	93.7	77.9	46.8
Cotton, other	31.5	33.7	57.6	37.5	21.9
Groundnuts	28.8	20.7	9.9	5.9	66.4
Gum Arabic	13.5	14.8	18.6	18.3	35.6
Sesame	18.3	19.2	6.3	24.9	35.3
Sheep	3.0	6.9	6.0	15.1	32.2
Millet (Dura)	4.8	2.7	13.5	43.0	42.9
Others	30.3	33.1	27.1	48.7	75.8
Total*	230.2	202.3	232.7	271.3	357.0

* Figures rounded, therefore do not exactly total.
Source: Central Bank of Sudan.

first six months of 1982 were worth only SL 31 million, almost 22 per cent lower than in the corresponding period of 1981 and a mere 16 per cent of total exports in the first half.

If government cotton sales to Sudanese exporters are a guide, however, exports are likely to pick up in the second half of this year. Sales to exporters jumped from a total of 271,825 bales in 1981 to 596,052 bales for the first half of this year alone; moreover, the increase occurred chiefly in sales of high-value long staple cotton, up from 141,498 bales to 381,144 bales in the same period. Sales for local consumption, possibly affected by the closure of Sudanese textile mills, shrank from 92,134 bales in 1981 as a whole to 82,453 bales in the first half, and will probably tumble in the second half following further factory shutdowns.

Japan established itself in the first half of this year as the biggest customer by value for Sudanese cotton, with purchases worth SL 9.7 million; but it did so only because sales to China and Italy, traditionally the leading buyers, were way below 1979 and 1980 levels. Shipments to China were up SL 1.7 million on the first half of 1981 at SL 8.7 million, but stood at barely one third of their 1980 level; shipments to Italy, though at SL 0.3 million to SL 5 million, were not even one-fifth as large as in 1980.

Sales to Yugoslavia, the fourth-ranked customer in 1979 and 1980, slumped from SL 14.6 million in 1980 to SL 2.5 million in the first half of this year, while the Soviet market, worth SL 11.2 million in 1979, has vanished completely, as have those in Portugal, Switzerland, East Germany and South Korea, which earned an aggregate of almost SL 12 million in 1980.

The disappearance of such outlets adds to the uncertainties of Sudan's export trade, and this is a factor which influenced the recent decision to scrap plans for a 25,000 b/d oil refinery at Kosti, south of Khartoum, and instead

Sudan's Principal Trading Partners. Value of Exchanges, 1977-81
(in SL millions)

	Imp	Exp	Imp	Exp	Imp	Exp	Imp	Exp	Imp	Exp	Balance
	1977		1978		1979		1980		1981		
Saudi Arabia	1.0	10.3	4.6	12.4	39.4	22.0	110.6	57.6	125.4	77.7	-47.7
Britain	53.1	7.4	71.7	5.0	67.7	6.3	93.8	7.0	109.9	15.6	-94.3
US	24.3	5.1	32.7	4.6	39.4	5.7	63.3	6.6	95.4	28.6	-66.8
West Germany	44.3	16.8	44.1	8.8	50.9	9.6	60.7	1.4	69.5	15.2	-54.3
Kuwait	6.7	2.5	8.9	0.3	21.9	0.1	61.6	0.3	56.4	0.6	-55.8
France	29.7	13.0	36.4	15.0	33.5	8.5	71.4	8.3	56.0	21.3	-34.7
Japan	40.0	18.0	29.3	16.6	30.4	16.3	27.3	22.4	50.0	26.9	-23.1
Holland	10.7	5.8	14.1	5.0	8.4	3.3	24.7	5.4	31.5	22.3	-9.2
China	10.3	19.6	22.3	21.0	19.6	40.7	26.1	24.9	29.7	17.2	-12.5
Italy	16.7	28.4	24.6	27.2	19.7	30.7	17.4	33.8	28.5	24.4	-4.1
South Korea	2.9	0.6	9.1	0.5	12.9	0.4	16.9	1.8	23.9	0.7	-23.2
Belgium	12.5	2.5	12.3	2.2	10.9	2.2	21.9	5.3	21.3	4.9	-16.4
India	17.1	20.5	21.4	7.9	11.0	0.8	16.4	1.0	19.3	1.5	-17.8
Taiwan	0.9	4.4	0.9	1.7	1.3	1.8	4.3	2.8	13.3	0.7	-12.6
Bangladesh	1.6	—	5.1	—	5.2	—	16.0	—	12.9	—	-12.9
East Germany	1.4	0.9	1.3	1.2	2.5	0.8	4.5	—	10.6	—	-10.6
USSR	1.9	7.9	0.8	6.9	0.4	16.5	0.5	4.9	0.4	19.7	19.3
Egypt	4.8	2.4	9.0	12.4	15.2	5.2	13.4	6.2	8.6	17.1	8.5
Other Arab	41.9*	5.7	34.7*	6.9	8.3*	4.9	1.9	12.1	4.7	22.6	17.9

* Includes oil purchases from Iraq of SL 39.5 million, SL 33.2 million and SL 6.9 million in 1977, 1978 and 1979 respectively; the principal Arab trading partner among Other Arab is Lebanon.

Source: Central Bank of Sudan, *Annual Report 1981*.

to build a 1,440-kilometre, 22-inch crude pipeline from the Unity field in the south-west to Port Sudan. Although the construction costs of the pipe, now estimated at \$ 1.1 billion, are no lower than for the refinery, Chevron, which is exploiting the oilfield, hopes that the line will come on stream in 1985, one year earlier than the start-up date for the refinery, (*An-Nahar Arab Report & MEMO*, October 18).

Sudan should therefore be earning hard currency from crude oil exports sooner than it would have from sales of petroleum products. Sudanese officials also point out that there is a crisis of excess refining capacity in Europe; they fail to add, however, that this is but a symptom of the world-wide surplus of oil supply over demand, and that Sudan will be entering a saturated crude market unless demand picks up by 1985, in which case the refining crisis will ease.

Where they are no doubt correct in stating that, with national oil consumption now running at about 25,000 b/d, there would be pressure on a refinery of the size envisaged at Kosti simply to supply the local market; this would certainly save Sudan money on imports but it would earn no hard currency and could probably would inflate domestic demand. As long as the oil is being pumped across the country and sold as crude, it is easier for the government to explain away gasoline shortages and to ask people to tighten their belts.

While Chevron has a 51 per cent stake in production from the Unity field, now running at about 2,800 b/d but expected to stabilise at 50,000 b/d by the time the pipe comes on stream, the company and the government will each have a 45 per cent share in the pipeline; the World Bank's International Finance Corporation and the Arab Petroleum Investment Corporation (APICORP) are each expected to put up 5 per cent of the cost. The pipeline's ultimate capacity will be 100,000 b/d.

The government has decided to limit tenders for the pipe to the five consortia originally short-listed for the refinery project: these are led by JGC of Japan, Technip of France, Spain's Técnicas Reunidas, Mannesman of West Germany and the Italian firm Snamprogetti. The chief problem involved in getting the oil to Port Sudan is that it is a very viscous crude having a flow point of about 80 degrees centigrade. The pipeline project calls for the construction of an 8-inch parallel pipe to carry dilutant to keep the crude flowing: Unity crude is nonetheless quite light, with an API rating of 35 degrees and oil company officials say they anticipate no problems in selling it.

Tomorrow's crude is nevertheless no answer to today's problems; even if the pipe is completed on schedule, with no cost overruns, even if Sudan starts exporting crude at capacity at once, and even if the price of crude on world markets does not sink below today's level, it will take approximately 17 months to recover the cost of investments by the government and by Chevron.

CSO: 4500/48

PROBLEM OF ILLEGAL IMMIGRATION, FORGING OF PASSPORTS DETAILED

Khartoum AL-SAHFAH in Arabic 24 Oct 82 p 5

[Article: "The Director of Legal Affairs in the Passport Office Talks to AL-SAHFAH About Unregulated Immigration and the Future Danger Which It Represents"]

[Text] Two grave issues, this time being brought to the attention of the citizens by [government] agencies, directly threaten the citizens in terms of their sovereignty over their country and its national identity which has become seriously threatened.

There are between 4 and 5 million foreigners illegally in the country.

The phenomenon of forging identity papers is a direct result of this immigration.

One problem is a result of the other problem, and both our citizens and our government are being accused of creating it. The two problems are the forging of identity papers and the danger which threatens us as a result of increasing immigration.

The details of the case involving Fatimah Muhammad Ahmad, the passport forger, emphasize points which serve to sound the bell of alarm concerning an impending danger and which the Passport, Citizenship, and Immigration Office became aware of when [the details] were uncovered during the course of the investigation. It was this topic that Col Muhammad al-Barbari, director of legal affairs in the Passport, Citizenship, and Immigration Office, discussed with us. He said the following:

The Story of Fatimah's Forging Activities

"After checking the citizenship of some immigrants, the Security Unit informed us that some immigrants had obtained citizenship and passports by illegal means. The five accused persons were then arrested. They consisted of two men and their wives plus a third man who was alone. Their passports actually were found to be forged. It turned out that there were people who had helped them in connection with the issuing of

the passports and visas and that they had obtained their citizenship papers by providing false information. Warrants were then issued for arresting them and their accomplices, and now they are being brought to trial."

Large-Scale Forging

"We raided [the residences of] the persons whose names cropped up during the investigation and they fingered a number of [other] persons. They included the above-mentioned accused, Fatimah Muhammad Ahmad from al-('Ushash) and Ahmad Sulayman Ahmad from (Umm Bdah). They were working together. The Passport Investigations Division then began a series of raids. On 14 September a raid was made at the residence of Fatimah Muhammad Ahmad. This raid resulted in the seizure of a large number of citizenship papers, cards, applications for citizenship, import licenses, thousands of photographs, exit visa applications, drivers licenses, and papers from the Saudi Embassy which were tantamount to receipts for turning in passports and intended to deceive [Sudanese] citizens." "Some citizens were deceived and they brought their passports in in order to turn them in in order to receive entry and exit visas." "Fatimah Muhammad Ahmad legally confessed that she had forged passport visas. Then her accomplice, Ahmad Sulayman Ahmad, was arrested the next day, and right now both of them are being brought to trail. Warrants were issued for the arrest of both of the accused before they were arrested, and now they are going to be tried on the basis of the charges brought against them."

Method of Forging

We asked Col Muhammad al-Barbari about the method used by the two accused persons and their accomplices to do the forgeries, and he said:

"The two accused persons would steal from the Saudi Embassy passports which had visas in them. Then Fatimah Muhammad Ahmad would undo the stitching of the stolen passport which had the visas in it and remove the page which had the visa on it. She would then take out the corresponding page, with the same page number, from a passport which she wanted to provide with a visa and would then put in its place the page which already had the visa on it. Fatimah Muhammad Ahmad would then very carefully redo the stitching of the passport so that the stitching resembled the original stitching. Only someone who scrutinized the passport very carefully could tell the difference."

A Big Case

"The consequences of these forgery activities were nullified, and the matter will be brought to court since this is considered to be a case of large-scale forgery. Furthermore, those who received citizenship papers, passports, or visas by means of this forgery, along with their accomplices, will be tried in court."

We asked him how it was possible for all of this forgery of identity papers to take place, who was doing it, and how it could be prevented. The colonel's face then showed signs of greater concern, and he said:

The Greatest Danger

"It is actually a very serious matter. Immigrants coming into the country have come to constitute an impending danger. They cross the borders without any identity papers from their own countries. Unfortunately there are hustlers and unscrupulous people who utilize all sorts of methods to help them obtain identity papers. One thing which helps them in this regard is the fact that the members of some genuinely Sudanese tribes, in their appearance and facial features, resemble foreigners from other nations. In addition to this, there are deficiencies in the process of civil registration in the area of registering births, and in the past there was no such registration."

Five Million Foreigners

"Immigration is something which has come to seriously threaten the nature of Sudanese society. The number of foreigners who have immigrated to Sudan has increased to the point where they total about 5 million persons. This is a dangerously high figure. In some areas the number of foreigners is now greater than the number of Sudanese citizens. In fact, in some areas [foreigners constitute] more than 90 percent [of the inhabitants]. Sudanese people have become strangers there after foreigners have bought up private land in the fertile area in central Sudan."

Imperialism and the Parties

"This problem was created by the imperialists in order to dilute Sudanese nationalism, and it was further aggravated by the parties that were dangerously lenient concerning matters of citizenship. They granted citizenship to large numbers of foreigners in return for obtaining their votes. No one paid attention to this serious problem until the May Revolution when the first congress concerning immigration was held in 1970. Twenty-three government departments, ministries, and institutions participated in the congress, and the congress issued recommendations which were to be the cornerstone for dealing with this important problem. They acquired legal status when they were issued by decision of the cabinet, but there was no capability of implementing them."

We asked the colonel about the steps which had been taken to put a halt to this dangerous colonization-type immigration, and he said:

Checking Citizenship Status

"The Passport, Citizenship, and Immigration Office right now is checking people's citizenship status in cases where there is suspicion concerning how the citizenship was acquired, how the citizenship papers were issued, or concerning whether or not the person involved is eligible for Sudanese citizenship. Forgery is a phenomenon which only began to emerge as a result of colonization-type immigration. This is the first consequence of it. And the disturbances created by these immigrants are still another phenomenon which shows the ever-increasing danger of their presence."

Amending the Passport Law

"Preventive measures have been taken to control and provide the necessary security for points of entry into, and exit from, the country as well as to keep a close watch on the borders and ports in order to plug up the gaps. We are in the process of amending the Passport, Citizenship, and Immigration Law so that it will include penalties which are deterrents. We are doing this because any person who engages in forgery, permits forgery, or assists in forgery is a corrupt and dangerous member of society and must be removed from this society."

"There is another measure which has been taken in order to make it impossible to forge passports. We are in the process of bringing in modern machinery and equipment and printing passports in such a way that forging them will not be possible as happened in the case where the visas were forged. Right now it is not possible to forge them."

I said to the colonel: "So the matter is more serious than merely being a matter of forging identity papers."

He replied: "It is a much more serious matter than that. It is a danger which threatens the national identity of the Sudanese and their priority rights to their own land. The time has come to proceed to properly assess the problem and quickly deal with it before it is too late."

"Our generations of the future will feel great resentment against us if we do not immediately solve this problem."

I then left the colonel's office and promised him that I would explain the details and statistics concerning the danger of this immigration so that AL-SAHFAH's readers, God willing, would become acquainted with them the following week.

9468

CSO: 4504/82

DEPUTIES DEBATE DRAFT OF 1983 BUDGET

Administrative Reforms Called For

Tunis LA PRESSE DE TUNISIE in French 20 Dec 82 p 4

[Report by Saida Charfeddine and Yahia Barouni: "Administrative Decentralization and Management Control Are the Major Themes of Interventions"]

[Text] Youssef Maaloui: Improving Community Services Supervision

The speaker asked for a qualitative and quantitative reinforcement of municipality cadres through measures providing adequate incentives for young ENA (National School of Administration) graduates to work in type III and IV communities.

As for the government's austerity policy, Mr Maaloui said he hoped it would not be implemented at the expense of communities and social programs; in concluding, he asked the administration to honor its agreements with communities with respect to time limits.

Abdelhamid Razguallah: Improving Relations Between Citizens and the Administration

Raising the question of administrative reform the deputy indicated that the administration ought to be a catalyst and a dynamic force in the country. Also, it ought to be strict when necessary. He also touched on the question of citizens' complaints as to the reception they are given by administrative services, and added that our administration also suffers from bureaucracy, which can be remedied only by conscientiousness. We must, he went on, intensify our efforts to train and retrain civil servants

Mokhtar Messaoud: The Administration Must Honor Its Commitments

The administrative reform contemplated is very important for the economic development of the country. Also, the administration must honor its commitments to a larger extent, economic control must become more effective, and all excesses should be punished.

Indeed, those responsible for poor management must not be suspended or transferred; they must be punished.

Slaheddine Zouaoui: Incentives For the Clergy

The objective of the planned administrative reform is to lighten the burden of the regional administration to enable it to better design and control development, Mr Zouaoui stated, indicating that the creation of inter-regional economic zones would contribute to achieve this goal.

Mr Zouaoui then asked "how far Arabization had progressed," and what impact data-processing and cost accounting would have on job creation.

In concluding, Mr Zouaoui asked that more incentives and insurance be given to the clergy.

Abderrahim Zouari: Administrative Reform Is a Collective Task

Administrative reform is important and requires considerable efforts if our administration is to progress further. It is also a collective task, the deputy added and he also pointed out that the reform concerns all ministries, not only the Prime Ministry. The administration must play its full role in development efforts.

Khemaies Eltaief: Improving Relations Between Administration and Citizens

The speaker stressed the internal problems of the Tunisian administration and wished for improvements. Besides, it is legitimate and human to aspire to all that could ease relations between the administration and the citizens. However, Mr Eltaief pointed out that, because of their age and their training, some older civil servants cannot keep up with the changes taking place in the country or with the demands of development.

Raising the question of Arabization, he stressed that we live in a world marked by exchanges, especially where science and technology are concerned. Now, intensifying Arabization and withdrawing into ourselves would do more harm than good to Tunisia. The deputy praised the advantages of knowing other languages, especially English.

Abdessalem El Amri: The Situation of Party Militants Must Be Straightened Out

The deputy centered his intervention on three subjects. The first dealt with Party militants. Mr El Amri asked that their situation be straightened out, the law of 4 March 1980 extended, and that some militants be covered by the law of 1974. He also asked for an increase in their pensions.

In his second point, the speaker raised the question of the deputies' retirement. He suggested that they should retire under better conditions.

Soula Ben Soula: Routine Must Be Fought

Essentially, the deputy discussed the question of administration, saying that administrative reform is a must. Above all, routine must be fought and all abuses stopped.

Belkacem Dabcha: Reinforced Decentralization

The speaker acknowledged the efforts made by the Prime Ministry and also the difficulties it must cope with in accomplishing its task. Indeed, that ministry acts as a coordinator between the other ministries and, therefore, is not always in a position to grasp the full scope of problems. Thus, the deputy noticed certain deficiencies.

With respect to decentralization, the speaker observed that its scope is somewhat restricted. He also asked that more attention be given to those entrusted with the preservation of the Koran.

Mohamed El Moncef Haffouz: Improving the Lot of Low-Level Civil Servants

In his intervention, the deputy wished that more attention be given to the lot of veterans and militants.

He also urged that mosks and places of worship should receive more attention and be better maintained.

In concluding, Mr Haffouz touched on the status of low-level civil servants, the lot of whom, he added, ought to be improved.

Abdelmajid Belaid: Extension of Social Security Coverage to Preachers

Mr Belaid's intervention was centered on Arabization. After asking for an extension of social security coverage to preachers and the clergy, he stated that there is no valid reason for the administration to keep using French. Arabization, therefore, is a must.

Mohamed Moncef Mosbah: Increased Prerogatives For the Regional Administration

Assessing the results of the past year, the deputy pointed out that some measures were taken but not yet implemented, especially in the regional structures which were created. He added that the regional administration should be given additional prerogatives.

Concerning the law of 1975 on governors' prerogatives, Mr Mosbah asked that governors be given more power and more independence, and added that some articles of that law should be revised. For instance, the Governorate Council should be elected.

Abdelmajid Bou Slah: Making Up For Deficiencies

The Prime Ministry plays an important part in decentralization. Therefore, the deputy suggested that studies be made to identify weak points and deficiencies so as to remedy them in the future.

Touching on the question of control, Mr Bou Slah felt that the Audit Office must play an important part.

Belkacem El Mtii: Arabization of Data Processing

The deputy was pleased to note the commendable efforts of the government in implementing its decentralization and austerity policy.

With respect to the Arabization policy, the speaker expressed the wish that the National Data-Processing Center be arabized.

Tijani Lassoued: Price Variations To Be Taken Into Consideration

The deputy was pleased to note the efforts made by the Prime Ministry; he then asked for greater concern for veterans, whose pensions ought to be revised to take into consideration the rise in prices which took place during the past few years.

Chedli Ennaifer: Using the Hegira Calendar

Administrative reform is also a matter of mentality and morals. The collapse of moral and Islamic values must be resisted. Nowadays, the deputy added, thefts and rapes keep increasing and jails have often proved ineffective. This is to be blamed on the moral vacuum which is affecting the young, and we must therefore inculcate Islamic values in our youth.

Seminaries, conferences and encounters on religion are therefore necessary. Also, officials should provide examples of righteousness and morality.

The deputy then asked that a general amnesty be proclaimed. He also asked that the hegira calendar be used.

Azzouz Rebai: Single Session Contributes to Austerity

After stating he was pleased with the sense of responsibility and integrity of the administration, the deputy drew attention to certain points. Thus, he added, the single session is also an act of austerity and, by promoting free time, it will ease the task of club and community center organizers.

We must, the deputy went on, make up for lost time in the field of data processing. As far as control is concerned, Mr Rebai stated that it is no longer feared but wished for, which testifies to the sense of responsibility of our administration. The deputy then emphasized the need for an increased Arabization of our administrations.

With respect to austerity, the deputy mentioned the example of administrative printed forms, which could be printed at a lesser cost by issuing invitations to tender.

Concerning general amnesty, the deputy stated that a pardon would imply repentance on the part of those who would benefit from such an amnesty.

Khaled Chaabani: Decentralization, a Must

The desire for change and reform is commendable and should be intensified. Also, the reform contemplated must be accelerated, according to Mr Chaabani who added that decentralization is a must and that all should be convinced of it.

Reforms and the Economy

Tunis LA PRESSE DE TUNISIE in French 20 Dec 82 p 4

[Article by N.O. and S.B.M.: "General Debate on State Budget Draft"]

[Text] We continue below the publication of deputies' interventions during the general debate on the 1983 State Budget draft.

Abdelwahed Jliti: Increased Support For the Equalization Fund

He estimated that there exist a real political desire to grant each region the power to make decisions and the prerogatives required to further its development.

The deputy proposed to continue the support given to the Equalization Fund and to tax luxury items.

Finally, in order to achieve a better balance between regions, he suggested to create integrated agricultural project in the Center-West, which would reduce rural exodus and unemployment.

Hedi Abderrahim: Improved Balance Between Regions

Mr Hedi Abderrahim indicated that the government's statement had dissipated doubts and clearly shown the improvements achieved.

He added that citizens should be made aware of economic difficulties so they could fully assume their responsibilities.

Although he acknowledged that progress had been made to achieve a better balance between the regions, the deputy felt that inter-regional disparities still remained.

Mouldi Chouikha: Reviving the Price-Control Commission

In view of world economic conditions, which are rather difficult, the deputy stated that importations of luxury items must be restricted.

Concerning the agricultural sector, he stressed again that it has become urgent to improve productivity and distribution networks.

With respect to the price policy, he suggested to intensify controls and revive the price-control commission.

With respect to the tax reform, he said that all citizens should comply with the law to fight tax evasion.

Fatma Yaalaoui: Referendum on Tax Reform

The austerity policy must be actually implemented in public enterprises. Also, it is now urgent to restrict luxury item importation and fight its excesses.

If the tax reform is to be accepted by all parties involved, a referendum on that question should be organized.

Salah Zoghلامي: Reducing Consumption

The eradication of poverty pockets and the creation of jobs are priorities included in the 1983 draft budget.

In addition, tax reform is the business of the whole community, not just part of it.

The austerity policy cannot succeed unless consumption is reduced, especially on the occasion of national holidays.

Mehadded Bhihaoui: A National Support Fund For Small Farmers

He said he was pleased by the content of the government's statement, some of the provisions of which are rather revolutionary, especially those concerning social security coverage.

In addition, he asked that more attention be given to regional development.

To help small and medium-size farmers, he suggested the creation of a national support fund.

Abderrauof Bouker: Fight Against Corruption

In spite of difficult economic conditions, measures should be taken to carry out the reforms undertaken.

To improve the credibility of the country's institutions, it is urgent to fight corruption and to proclaim a general amnesty, the deputy concluded.

Mouldi Ayari: Upholding the Law of April 1972

If agriculture is to play the part it should, it must be given the incentives it requires. In this respect, agricultural credits must accompany integrated projects.

The creation of a regional balance goes through the eradication of poverty pockets and the creation of a basic infrastructure in underprivileged regions. In addition, the Law of April 1972 must be upheld, even strengthened, the deputy concluded.

Sadok Besbes: Revision of Press Code

To improve the political climate, a general amnesty should be proclaimed, the Press Code reviewed, and price increases opposed.

In addition, adequate measures should be taken to safeguard the purchasing power of the middle class and to provide layoff indemnities for workers employed under the Law of 1972.

Mohsen Fradi: Providing Adequate Means For Municipalities

Municipalities, as development cells, must be provided with adequate material means to implement certain important projects.

In this respect, the joint fund should be consolidated and its efforts directed toward small municipalities.

Rachid Mbared: Quick Solutions for Land Problems

He stated he was pleased with the efforts undertaken to reduce disparities between regions.

With respect to the democratization of political life, he believes that this trend--which is irreversible--must receive the agreement of all social partners.

Finally, he suggested to find quick solutions for pending land problems.

In this respect, he said that 35 percent of all agricultural land in the Nabeul governorate are not exploited, due to the persistence of this phenomenon.

Azzouz Rebai: The People Must Agree to Austerity

Recently elected to the Chamber of Deputies, he made a long intervention saying that austerity must receive the people's approval if it is to be effective, and that workers must be given material and moral means to improve their productivity.

According to the same deputy, existing information media do not quite play the part they should in keeping the people informed of the government's efforts to develop the country.

Mohamed Ben Romdhane: Public Safety Consolidation

He recommended to consolidate public safety and to lead an implacable struggle against violence and crime. To achieve this, he suggested heavy punishment for criminals.

Abdelhamid Kobbi: Protection of Farmers Against Disasters

He stated that farmers had been seriously affected by natural disasters. He also pointed out the negative effects of the rise in fuel and food prices, which brought about a decline in productivity. Finally, he called for the adoption of measures to protect farmers in case of such disasters.

Mohsen Dridi: Consolidation of Public Enterprises

While hoping that the social partners will manage to arrive at a satisfactory solution, he suggested to revise the Press Code and the Law of April 1972, and asked for the proclamation of a general amnesty, adding that a consolidation of public enterprises is necessary.

Jilani Daboussi: Controlling Inflation

He said he was pleased at all the realizations accomplished in 1982, despite difficult economic conditions; however, he said, inflation should be controlled and kept below the tolerance level.

With respect to consumption, he advocated information campaigns to convince citizens to buy Tunisian products first and, then, restrict luxury items consumption.

Finally, he wondered why the Agricultural Development Bank had not yet been established.

9294

CSO: 4519/112

MINISTER DISCUSSES FORTHCOMING ADMINISTRATIVE, CIVIL SERVICE REFORMS

Tunis LA PRESSE DE TUNISIE in French 20 Dec 82 p 4

[Article: "Mr Mezri Chekir's Answer: 'In 1983, The Reform of Administrative Channels Dealing With Citizens Will Be Emphasized'"]

[Text] Answering deputies' interventions, Mr Mezri Chekir, minister delegate to the prime minister, in charge of Civil Service and Administrative Reform, gave some indications as to the reforms which will be implemented in the Administration and the Civil Service under the Sixth Plan, and especially in 1983.

After pointing out that the objective of these reforms is to make of the Tunisian Administration a modern administration and an effective development tool, the minister indicated that administrative reform is a long and exacting job that will require all citizens and all sectors to conjugate their efforts. He added that in 1983 the reform of administrative channels dealing with citizens will be emphasized. In this connection, he indicated that each ministry will be provided with a citizens information center headed by a higher official familiar with the ministry's organization and thus able to step in and help people settle their affairs. In this respect, he said that the Arabization of the administration is central to the officials' preoccupations and is part of administrative reform.

Recalling that Arabization had taken place in several ministries, the minister indicated that efforts will continue for the Arabization of ministries having to do with technology.

In this connection, Mr Mezri Chekir also stressed that relations between the administration and citizens should be based on mutual respect. Concerning regional administration, the minister indicated that regional department directors had been given a series of responsibilities and that commissions would be sent to the regions in 1983 to study the problems preventing these directors from fully exerting their responsibilities and what should be done to solve these problems. Moreover, administrative reform will tend to develop the role of municipalities and governorate councils, which should become regional development councils.

Mr Mezri Chekir also gave the deputies a few indications concerning the new Civil Service statutes which will soon be submitted to parliament and will come into effect as soon as they are voted by the latter. In this respect, the minister indicated that, "if the administration is to play its full role, the level of qualification of civil servants must be improved and the regulations concerning them revised, which is precisely the objective of the new Civil Service statutes." The minister then mentioned the major reforms contained in the new Civil Service statutes. For instance, he said, the new statutes will provide for automatic promotion and link promotion to education and training, so that each level will correspond to a given education level. The new statutes will also make it possible to recruit among some categories of handicapped persons; they also contain reforms with respect to maternity leave, which is increased from one to two months. New mothers may also obtain a four-months leave at half pay. Dismissal and resignation will no longer cause a loss of pension rights. The new statutes also provide for reforms in the system of penalties, so the administration will remain an example of probity and honesty.

Concerning social security coverage, Mr Mezri Chekir also said, measures will be taken to enable all state agents, whether tenured or appointed on a temporary basis, whether Tunisians or not, to be covered by social security. Provisions will also be included to improve the retirement system and benefits to such an extent that, under the new statutes, retirement benefits could be as high as 90 percent of the retiree's salary, not taking into account the fact that pensions are not subject to income tax.

Concerning foreign contract employees, Mr Mezri Chekir indicated that they number 1,160, including 500 physicians, close to 300 university professors and as many high-school teachers.

The reform will also affect salaries and wages.

Mr Mezri Chekir also pointed out that, as part of the administrative reform, efforts were made to automate the administration with the assistance of the National Data-Processing Center. The largest project in this respect will be the automation of the Civil Service. The National Retirement Fund is also using computers to process its data.

Mr Mezri Chekir then went on to discuss cadre training; he announced the creation of a retraining department within the Prime Ministry, adding that ministerial departments had been advised to provide themselves with such retraining departments. The minister pointed out that, in addition to its fundamental mission, namely the training of cadres, the National School of Administration (ENA) must also play a role in retraining personnel.

After emphasizing the efforts made to strengthen the position of Arabic in the ENA curriculum, Mr Chekir stressed the necessity for the continuous promotion of a sense of civic responsibility among state employees, a task which, he said, is incumbent on information media as well as on the various national organizations.

The minister then came to mention internal control structures at the Prime Ministry, stating that their object is to prevent abuses of all kinds. He indicated that controls take place to protect the good name of the Tunisian administration and to punish abuses, should the case arise.

Concerning the administrative court, Mr Chekir indicated that a reform will take place in its operation, and that its prerogatives will be expanded under a bill which will be submitted to the Chamber of Deputies.

The minister pointed out that there had been a decline in the number of cases of abuse of power referred to this court (141 cases in 1980, 127 in 1981 and 107 in 1982), which, he said, demonstrates an increased desire to obey the law.

Concerning the Technical Cooperation Agency, the minister stressed the commendable efforts it is making to increase the number of Tunisian cooperation agents in foreign countries. He indicated that there were 123 Tunisian cooperation agents in Gulf countries in 1981, and that that number had been increased to 1,384 in 1982, within only 10 months, thanks to the establishment of Technical Cooperation Agency offices in 3 Arabic countries.

Mr Chekir went on to discuss religious affairs; he pointed out that President Bourguiba and the government are increasingly interested in this question, Islam being one of the major bases of Tunisian identity. In this respect, he mentioned the efforts made to build and restore mosks and to retrain imams and preachers.

Mr Chekir also emphasized the attention given to Koranic schools (Kouttab), and indicated that a department had been created within the Directorate of Religious Affairs to ensure the proper operation of these institutions.

Concerning old militants, the minister stated that the government deeply believes that they must receive all the solicitude they need. In this connection, he mentioned that an interministerial committee, chaired by the prime minister, will meet in the near future to examine the dossier of old militants.

In concluding, the minister stressed the intense efforts made by the Prime Ministry's officials and departments to protect the Tunisian administration's image and inculcate in the young generations a sense of dedication to the public interest.

9294

CSO: 4519/112

MINISTER DISCUSSES HIRING, TRAINING, PROMOTION OF ENGINEERS

Tunis DIALOGUE in French No 432, 13 Dec 82 pp 25-27]

[Interview with Sadok Ben Jomaa, minister of transport and communications and president of the National Union of Tunisian Engineers, by Hedia Baraket; time and location of interview not specified]

[Text] DIALOGUE: In some circles, people still think that the Order of Engineers Institution will hold up the promotions of certain managerial-level professionals whose careers were progressing automatically and on the basis of seniority. Especially, they say, since those managers, by virtue of their experience, are often as competent as--if not more competent than--new people from the specialized schools. What do you think of this?

Sadok Ben Jomaa: I think the Order of Engineers won't bar the way for anyone, whoever he may be. But there is one comment to be made. That is that at present, technical managers don't all progress automatically or on the basis of seniority within the same grade. But to move from one grade to another, from technical assistant to assistant engineer or from assistant engineer to civil engineer and from there to chief engineer, can only be accomplished by means of a competitive examination. That's a civil service rule. Obviously, in the civil service at the beginning of independence, at a certain time, given the lack of professionals and for other reasons too, there were dispensational laws. But for many years there have been no more dispensational laws concerning promotion to engineer grade. That grade can only be achieved by competitive examination. Therefore I believe this demonstrates that even at that level promotion isn't automatic. In some privately-owned and even some publicly-owned businesses, the title of engineer used to be conferred on anybody and everybody. That didn't conform to professional ethics and its chief intention was to make it possible to improve one's situation. Whereas practicing the profession of engineer is not only a problem of remuneration paid to an agent, but it is the practice of a specific function. And I think it is good to take care, whether for the practice of the engineering profession or for any other that is practiced by people with adequate skill or with the indispensable technical and professional qualifications.

You also say that many people claim that managers promoted from within are better than managers who are graduates of specialized schools.

I think that allegation is neither true nor false, because if it were 100 percent true, all you would have to do would be to close the engineering schools in Tunisia and elsewhere. Nor am I saying it's false, since, as I myself have said on several occasions, many managers promoted and coming from lower grades turn out to be excellent engineers. But that is very variable. Whatever way one moves up, that is to say whether one comes out of school or is promoted on the basis of competitive examination, it is indispensable that he be able to pass from one grade to another, that he have a sum total of additional knowledge enabling him to master his profession.

Moreover, the National School of Engineering in Tunis or elsewhere in France has an average 4-year training course and a long, 6-year course that graduates chief engineers.

Training schools often belong to different categories. In France there are schools that train chief engineers and others that train applications engineers. Both have superior qualifications, but the act of getting into the large schools, for example, implies a much larger selection and, in what is taught, more depth and a somewhat broader field. This also holds true for other professions.

Moreover, in the spirit of French training as well as Tunisian training, engineers graduating from the long course are generally design engineers. Civil engineers are production engineers. But the barrier isn't airtight and you can move from one grade to another either by competitive examination or by going back to school for a year or two, or else taking a number of retraining courses to complete the engineering training.

This is for engineers.

All the more reason why it should be just as true for someone coming from an assistant engineer grade, or even technical assistant. It is indispensable that he complete his training.

It happens, here or elsewhere, that engineers from the "lower" grades who have completed their training (we have remarkable examples in the Transport Ministry) have an acknowledged effectiveness from the point of view of experience. These are people who got their training on the job, but who had the possibility afterwards of being sent back to school or taking retraining courses, the additional theoretical training making it easier for them not only to move up to a higher grade, but often to become more effective at the same grade level.

DIALOGUE: The idea of additional acquisition of knowledge not having been implemented yet, it seems to us to raise a number of questions: what kind of a reception will the specialized schools have in store for this initiative?

Will the technical manager in professional life feel the need to return to school, and have the means? Won't the cost of additional training be high, especially considering that the administration will continue to pay the technician's salary while he is being retrained?

[Answer] The idea exists generally in engineering schools, even in the French system, thought to be academic establishment-oriented, and seems to be well accepted. Besides engineers from polytechnic schools and those who come by way of competitive examination, a percentage is reserved for civil engineers who are

s well accepted by the school system as by their colleagues. Moreover, in this area, most of them become excellent engineers and are very well integrated.

In Tunisia the problem comes up in the same circumstances, but much more openly. I'll give you an example: a law was recently promulgated reserving, in the PTT [Posts, Telephone and Telegraph] School and in the quota of engineers to be trained, 30 percent for assistant engineers. They will come either from the best students in the short course, or from assistant engineers who are working in the administration after passing a competitive examination. This proposal, which is unique in the world, demonstrates that there is no separation, that it is possible to get into the engineering profession at the top, not solely by way of decrees or dispensational laws.

For the technical managers who will have to return to school, in my opinion there will be no problems. On the other hand, there will be problems for those who are doing nontechnical work in management. For them, it will seem hard to go back to school.

The return to school could be done by additional training in the form of retraining courses, of short, important courses. This will be possible even for managers who have arrived at a certain age. They will not go back to school in the classical sense of the word, but will keep in touch through a number of training courses that they can take while they are working.

The details of this will be settled according to the specialties. The creation of the Order will accelerate this process, because we consider the technical group to be a consolidated entity. The problem of the bridge, or link, will be solved.

As for the cost of the training, it won't be high. It will give a much more important added value and will be useful for the country. There is still the problem of remuneration for the managers, to which we'll find a solution--all the more likely because in the university domain there is the possibility of having a sabbatical year, paid for by the administration, during which the academic would go to be retrained.

That problem is beginning to be solved. Let's cite the example of the PTT School and the Civil Aviation School. In the latter, flight engineers will be able to get further training and rise to the grade of pilot.

DIALOGUE: At the UGTT [Tunisian General Federation of Labor] they consider the Order of Engineers to be an additional structure, seeing that the majority of Tunisian engineers are under civil service and because, on the other hand, it poses a problem of "legal ambiguity." Who will be empowered to speak on the engineers' behalf in negotiations between social partners?

[Answer] First of all, as to the number, although at the beginning of independence the majority of engineers, 80 or 90 percent, were civil servants, that figure is diminishing.

In agriculture--the sector with the most civil service engineers--there are only 50 percent.

This figure is especially on the decline in the industrial sector, where 10 percent of the engineers are under civil service. Because the national companies that are run by special statutes wouldn't necessarily be included. In those companies the engineering profession would have the advantage of being better organized than it is in the civil service.

On the other hand, I don't think there is any legal ambiguity, since before the Council of the Order the great majority of engineers were members of the UNIT, which was still recognized as a partner by the government and which discussed changing the status in 1974 and which discussed, in the most recent salary negotiations in 1981, not only setting up this Council of the Order, but also the various salary demands.

This doesn't rule out the possibility for engineers to militate within the UGTT for improvement of the engineers' situation.

This isn't a monopoly problem. The president of the UGTT himself, in an interview in a local newspaper, acknowledged the plurality of the unions.

So, what is now being done by the Engineers' Union can continue, and on a specific problem it can have combined efforts to improve the situation of the engineers, it isn't the engineers who are complaining.

The Council of the Order was created especially to protect and organize the engineering profession. It is not so much the union problem that is "omnibule" [translation unknown] us, because since 1972, in most of the negotiations on the engineers' situation, the UNIT has been the ideal partner.

As we said to the UGTT, we are not raising the problem either in terms of competition or in terms of excelling, concerning the problem of civil service status. That status applies to engineers as it applies to full-time doctors, and the order is chiefly a professional order.

DIALOGUE: With 6,000 Tunisian engineers, what dimensions is recourse to the recruitment of foreign engineers assuming?

[Answer] You might say that 6,000 Tunisian engineers constitutes a source of pride for the Tunisian regime, although this isn't a very high figure. Because we have been careful, in the Advanced Training Council at the Engineering School, in which I represented the UNIT, and in the other schools such as INAT [Tunis National Institute of Agronomy] for training agronomists, we have taken care to see that engineering training is good training, and that its level is equal to the level everywhere. We are proud of this. Because in many countries a certain laxity has prevailed. Training and promotion have been made so easy in those countries that there are astronomical numbers of engineers who, compared to the universal standards, are not of the same quality.

We have also taken care that our engineers should be of excellent quality. Which explains why 6,000 engineers is a good figure. Inadequate, it's true, in this phase of development, inadequate especially in the important sectors of production and industry. Also, the government is discussing the training of engineers for the next plan, and the possibility of expanding the number of engineers.

That's why we have also, within the law, provided for the order to be able to be helped in the recruitment of foreign engineers, but only after consultation with the order to see how existing Tunisian engineers can be better utilized.

In the case of recourse to foreign engineers and study bureaus, this also means associating young Tunisian engineers with them, so they can take over in time.

However, even when the day comes when we are assured of self-sufficiency in engineers, it will still be a good idea to preserve ties with foreign technology, European or American. Therefore, whatever grade we reach, in the field of engineering there should never be watertight barriers, but always more bridges, more contact, a certain collaboration between engineers of all countries.

Because, having no inhibitions, young countries can create new technologies, but they must also keep in contact with the countries that have better means and are technologically advanced.

The creation of the order enables us in that sense to take an inventory of the number of engineers and their specialties, and to determine what use is to be made of the potential that we have. Because in the developing countries the problem is not training, but wise utilization of the professionals.

Some of them lack the necessary environment in which to practice their profession in ideal scientific conditions.

It is important, then, to offer them the ideal material and moral environment so they can perform useful work in this democratic and socialistic development and, in a healthy social atmosphere, make up for the lag behind the developed countries, of which we are accused.

8946

CSO: 4519/116

ESTABLISHMENT OF STOCK EXCHANGE UNDERWAY

Paris AN-NAHAR ARAB REPORT & MEMO in English No 43, 13 Dec 82 pp 9-10

[Text]

Bahrain's Ministry of Commerce is expected shortly to appoint an American lawyer with wide experience of capital markets in the Middle East as a consultant for a projected Stock Exchange on the island. A report last week said it was hoped that the official exchange would be operating by the end of 1983 with an initial listing of 18 local joint stock companies and 13 offshore public companies incorporated in Bahrain. Other Gulf companies may qualify for a listing on the Bahrain exchange, the report said.

According to the report, the ministry is negotiating terms with Terence Reilly, who is a Special Counsel to Coudert Brothers, an American legal firm which has been represented in Bahrain for the past three years. Mr Reilly has served as an independent consultant and also worked with the International Finance Corporation to advise Jordan, Egypt, Turkey and Cyprus on the development of local capital market. The IFC is the affiliate of the World Bank which deals with the private sector.

The report said regulations for the proposed exchange have been under discussion for some time by a committee made up of representatives from the Bahrain Monetary Agency, the Ministry of Finance and the Ministry of Commerce.

In a related development, the Kuwaiti government has extended its travel restrictions on more than 50 Kuwaitis involved in dealings on the unofficial Souq al-Manakh over-the-counter securities market where dealings in shares of Gulf companies collapsed during the summer. Post-dated cheques with a nominal value of KD 26.6 billion (\$ 91 billion) were involved in trading, with KD 18.5 billion (\$ 63 billion) of this some due to the activities of only eight of more than 6,000 persons who bought and sold shares on the Souq al-Manakh. Attempts are now being made to reduce the outstanding sum to more manageable proportions by cancelling out cheques drawn by debtors against cheques to the debtor's credit and the Kuwaiti government has earmarked

KD 500 million (\$ 1.7 billion) as a rescue fund, mainly to bail out small investors. Reports from Kuwait indicate that efforts by the Chamber of Commerce and Industry to obtain mandates from market traders to sort out their affairs appear to be hanging fire, largely because investors are unsure what the Chamber intends to do.

The report said one scheme under consideration would involve bridging finance from the government of between KD 1 billion and KD 1.5 billion (\$ 3.4 billion and \$ 5.1 billion) to launch a trust fund to take over and manage the assets of Souq al-Manakh traders who are potentially insolvent. Another projected solution, London's *Financial Times* reported from Kuwait, would be to share the burden of providing credit between the government and the banks, with the Kuwait Foreign Trading, Contracting and Investment Company acting on behalf of the government in arranging syndicated loans for individuals deemed worthy of help. The report noted that the government has spent an estimated \$ 1.3 billion buying shares on Kuwait's official stock exchange in the past few weeks and that the state's shareholding in KFTCIC has been increased from 82 per cent to 90 per cent. One object of these purchases is clearly to boost liquidity and to shield companies listed on the official exchange from the fallout from the Souq al-Manakh. Another may be to pave the way for the KFTCIC to act on the government's behalf.

Meanwhile, the report indicated that there may be still other problems involving post-dated cheques used in real estate deals and that these could amount to as much as \$ 14 billion. Under Kuwaiti law, the date on a cheque is in fact irrelevant and a cheque can be presented for payment regardless of its dating. The custom of post-dating is essentially the outcome of gentlemen's agreements not to present a cheque before some future date. However, as has been seen in dealings on the Souq al-Manakh, post-dated cheques have served to create a huge pool of unregulated credit in which premiums of 300 per cent or more on the value of shares were promised in return for acceptance of delayed payment.

CSO: 4400/156

IFD GOVERNOR OF HASBAYYA INTERVIEWED ON RELATIONS WITH DRUZE

Tel Aviv BAMAHAHE in Hebrew No 7, 20 Oct 82 pp 17-19

[Article by Yanon Shenkar: "The Druze Guards of Hasbayya's Governor"]

[Text] In Hasbayya, the Druze town in the southern Lebanese valley which is the most important religious center for the Druze community, all ears were tuned in to the goings on in Ba'alai, Bahamdun and in the Damur region. The issues at hand were of some import to Israel.

The violence and fighting between Druze and Phalangists in the Beirut and Damur areas stimulated various reactions in the village of Hasbayya.

"We must not allow the situation to endanger that which has been built in Lebanon. Everything possible must be done to stop the shooting," says a vendor in the Hasbayya marketplace, Majid Samu. "You Israelis must help establish order and save our brothers from the Phalangists. Otherwise there will be a war of Lebanese against Lebanese, a war with no end," says his friend. There were also expressions of opposing views, but these voices were more quiet, calling for a war against the Christian Phalangists. "We will fight them. We cannot allow them to disgrace our women and capture our sons while we sit back quietly," these voices say.

Hasbayya is situated near the springs of the River Hasbani (Shamir), one of the major tributaries to the Jordan. The majority of the town's citizens are Druze, with minority Christian and Muslim groups. To the Druze, Hasbayya is considered a most holy place, like Mecca to the Muslims. Here, not far from the town center, is the most important center of the Druze religion. It is called "Hilwat al-Bayda'." The Druze faith was born and created there.

For hundreds of years, there was also a Jewish community in Hasbayya, farmers and spirited fighters. The few remaining Jews were moved to Rosh Pina at the beginning of this century.

At the start of the Galilee Peace operation, IDF forces in the eastern sector advanced with no resistance up to the Hasbayya area. From here--after a brief wait due to developments in the sector, mainly in the Biqa' area--our forces were commanded to leave and take positions on the Syrian front.

As soon as the IDF entered Hasbayya, Lt Colonel Isma'il Kablan, a Druze resident of Osafiyya whose past is closely tied to the village, was appointed governor.

"At the outbreak of the war, a police patrol car pulled up to my house and the policemen said: At such and such an hour report to the Haifa police station. I went, they put me and several other people in an army vehicle and we drove to Metula. There, I was joyously told that I was to govern Hasbayya as a Lt Colonel in the reserves," Isma'il recounts.

Ten days ago he was promoted. He is no longer Lt Colonel in the reserves, but Lt Colonel in the career army.

"From the beginning of the war, I've been in Hasbayya. I had wanted to be released from reserve duty, but they told me: We want you to stay. They convinced me and I signed up for a year. Now I continue my job," he says, adding with personal satisfaction: "Israel won't leave here for at least a year. I think even 2 years from now we will still be in this part of Lebanon, because the south has to be in our control. Only then can the residents of the Galilee continue to feel secure. I don't believe that Amin Jumayyil will make peace with us, because he is closer to the Arabs and there are many pressures influencing him. Therefore, I can go on living here for a long time..."

I Never Say No

Until very recently, the military governor of Hasbayya used a building in the center of town which belonged to the pro-Iraqi Bath Party. Now, he and his officers occupy a club which was used by Junblatt's party in Hasbayya, called "Nadi." From the balcony of the two story building, Lt Colonel Isma'il can look out over the entire town. The move to the new location was for purposes of comfort alone. With the move, Isma'il Kablan began "to wear a new hat." For a month now he has also served as commander of a unit for citizen's aid in Hasbayya. "It was decided to unite the military government with the municipal aid unit, with me at the head of the new joint body, so that today I am under General Maimon," he explains.

The "new hat" did not change the Israeli officer's position much among the town's residents. In Hasbayya, everyone knows him and respects him greatly. When we drove with him on a short tour of the town, not a man on the street failed to wave a greeting. Even small children shouted "Shalom, Shalom!" in his direction as we passed through the streets of the marketplace in his jeep. From time to time he would stop, ask about the well-being of the people, smile and send regards. Only a few people exploited the opportunity to bring up a problem or question. Isma'il didn't say "no" to any of them. He politely set up appointments with them at his office, at which time they would be able to talk at length.

He divides his time between his office located at the rise to one of the nearby villages, on the edge of Hasbayya, and an office in central Hasbayya. "There are people in Hasbayya who cannot get to the aid building, which is located at some distance from the center of town. That is why I spend at least 2 hours a day in my other office, where all the residents can come and present their problems," he explains.

In addition to supplying electricity, water and various services, Isma'il and his staff (four officers: his deputy; an officer in charge of aid to villages; an officer in charge of special functions; and a special legal affairs officer) have recently been handling a new subject: reparations and claims.

"Since the fighting ended, we have constantly been receiving requests and claims from residents for reparations. With winter approaching, for example, the IDF has expropriated land for military bases and training grounds. The land that was expropriated in this area belongs to residents from Hasbayya and they are demanding compensation. Every day we have meetings with the Mukhtars and the heads of large families on this subject. A committee headed by General Maimon decides who is entitled to compensation and in what amount, and the people are then given money," explains the governor.

But it is not just on questions of land and expropriations that claims are submitted. "Everyday I receive 15 to 20 requests on various subjects," he says. "Just recently, a woman received 1.5 million pounds in compensation from the town because a tank ran over her son by accident and killed him. We also process complaints regarding damage to automobiles and property, and various injuries. All these requests--all of which bear the seal of the Mukhtar or some other notable--we process and send to the committee at the Sidon command. They make the decisions." From his briefcase, he pulls out a request that arrived recently. "A man in one of the villages writes that a bomb discovered near his home exploded before they could detonate it, causing damage to his property. It is signed by the village Mukhtar and attests to the fact that the man is speaking the truth. We will pass it on..."

Each and every day, 20 to 30 people leave Hasbayya to visit in Israel. "Every family here in this area has relatives in Israel, and they go to visit, to settle various affairs and receive medical attention. Shaykh Amin Tarif, the leader of the Druze community in Israel, was here with a delegation of 300 people; while from Hasbayya, approximately 135 cars filled with notables left the town to visit Jethro's grave in Israel. Hasbayya's soccer team went to Osafiyya and beat the Israelis 3:1. Now the residents here are waiting for a return visit...and other exchanges are planned," explains Lt Colonel Isma'il, in the context of yet another facet of his daily job.

Lt Colonel Isma'il Kablan is 58 years old. Until 1948, he served in the Syrian army. When the State of Israel was established, he left everything and came to Israel. He enlisted in the IDF and served for many years in the border patrol. After a few years of service in the border patrol as a master sergeant in the north, Isma'il Kablan retired on an early pension. He is married to a woman born in Hasbayya, which we will go into more fully below. Isma'il, called "Abu-Jihad" by the residents of Hasbayya, has eight children ("almost a soccer team"). Two are sons. One, whose name is Jihad, is a sergeant in the Golani. Among his daughters, four finished their university studies and three are teachers in Osafiyya. One daughter, Hiyyam Kablan, is a beginning poet who recently won a 50,000 pound prize from Prime Minister Menahem Begin for a book of her poetry.

But Isma'il's special story is related not so much to his children as to his wife. When he came to Hasbayya on 6 June 1982, he was filled with emotion and

nostalgic feelings. "I know the Hasbayya area well," Isma'il revealed to us, unwinding a fascinating story from his personal past. "Not long after I joined the IDF, I was sent here on a mission. Here, I met a young girl, but I had to return to Israel when my mission was completed. In my heart, I knew I would return for her. In 1951, I received permission from the IDF authorities to cross the border into Hasbayya. My goal was to marry the woman I had met and bring her to Israel. For 18 days, I stayed with my wife's family, a large, respected family in Hasbayya, hidden from the authorities. They protected me very well and prevented any chance of my being discovered.

To Raise our Children in Peace

But the rumor about a stranger in town reached the Lebanese police, and they sent forces to arrest me. The current mayor of Hasbayya, who was already mayor at that time, sent the police back to where they came from. He told them that no one would search or harm the people of his town. He declared that there was no man in town unbeknownst to him and he stood firm on his refusal to allow a house-to-house search. He and the members of my wife's family protected me the whole time, until the time came to return to Israel.

We left at night, accompanied by four boys from the family. They took us to the border, to make sure we made it safely," relates Lt Colonel Isma'il.

Today he lives with his wife and their children in Osafiyya, in Israel. "My wife has a large family here. Her mother still lives in Hasbayya, and she has brothers and sisters and cousins here. And...today, she is here on a visit. After 31 years I brought her back to see her family and home in Hasbayya," Isma'il suddenly blurts out. We did not get to meet his wife, but we met her uncle, who was her host. The man was elderly and wore a sort of white knot skull cap. He owns a building supply store. "Business is good. For 7 years, nothing was built in Hasbayya. Now, everyone is building," he says.

While drinking coffee and tasting home-baked pastries, the uncle reminisced about Isma'il's coming to take his brother's daughter from Hasbayya to be his wife. "Our family knew Isma'il's family from back in Syria. I remember the day he arrived well. It wasn't but a few days when the police and security forces came knocking on our doors. They wanted to know who the stranger was who was roaming around town. They searched and asked how and when he had arrived in Hasbayya. But we said we did not know anything. And later, Isma'il and his wife went back to Israel. We waited for him, because we were sure he would return. We waited for him to come back the way a thirsty man waits for a glass of water. And when we heard that the IDF forces had crossed the border and were on their way to Hasbayya, we knew he would be with them.

I stood on the street and waited for the IDF forces to enter. I looked at the soldiers and tried to pick out Isma'il. Suddenly I saw one of our villagers who had arrived with the IDF forces, and alongside him, a somewhat older man. When the young boy introduced Isma'il to me, I did not recognize him. He had changed since we had seen him, over 30 years ago. We embraced and our joy was great, very great," the cousin adds. And revealing some future dreams he says: "It is important that there be peace here. It doesn't matter who rules as long

as we can work and live in peace. Before the IDF arrived, the Palestinians tried to set up a strategic center here. They went to a building near our house and said that they wanted to set up an office. They brought their belongings with them, but the villagers burned everything. They tried to distribute weapons to the residents--but only a few took them. When they tried to bribe us with money and pay us salaries--that did not succeed either."

A New Life

There are 15,000 residents living in Hasbayya. There used to be four active parties: Walid Junblat's, the Communists, the pro-Iraqi Bath Party and the pro-Syrian Baths. Today there is no political activity whatsoever. The IDF banned such action and Lt Colonel Isma'il tells us that even underground activity does not exist. "The majority here support Arsalan. His son, Faisal, visited Hasbayya on 'Id al-Adha. He was received with shots in the air and rejoicing in the street. Most of the local population identifies with Junblatt and the radicals," says Isma'il Kablan, adding: "The population is very sympathetic toward Israel. When they talk about the possibility of the IDF withdrawing, you can hear the anxiety in their voices. 'If you leave, we will have trouble with the Syrians and the Palestinians, who will return,' people tell me. They would like to hear a clear position statement from Israel. The residents would appreciate a visit from an official Israeli representative who would tell them what Israel's intentions are."

They are grateful for Israeli aid, for assistance in all areas and for the change in atmosphere. In the beginning, we heard horrifying stories about the Palestinians. An atmosphere of fear and terror prevailed throughout. People did not dare to leave their homes after eight o'clock in the evening. And they locked themselves in with locks and bolts. Girls were raped by the Palestinians on their way to work in the vineyards and there are many other stories of this kind. Today, you can see people in the street after midnight. The doors aren't always locked and there is an air of security. People are happy and willingly admit that by the grace of the IDF they now have a new life. They are therefore very worried about us leaving."

Getting to know the people of Hasbayya, on a personal basis, took place over the course of the long weeks which Isma'il has already spent in Hasbayya. His wife's large family has helped and the fact that he is Druze has also facilitated meetings and open conversations with residents.

Isma'il is a man with a broad build. His hair and moustache are silver. His military shirt is generally worn outside his pants, and the sawed off "M-16" he carries is always with him, although when meeting with the local residents he makes an effort to play it down. The reason is simple and we felt it, too. In Hasbayya, there is no feeling of animosity toward Israelis, which we did feel in other places in Lebanon. Here we are still received with greetings of "Shalom" in Hebrew, waving hands and smiling faces.

Recently, the military governor and commander of the civilian aid unit, Lt Colonel Isma'il, started to establish a "civil guard" of sorts in Hasbayya and neighboring villages. There are local units of adult residents whose job it is

to protect the other residents, to guard day and night. In six area villages and in Hasbayya itself, such groups already exist. Soon, they will be established in other villages nearby.

This is Just the Beginning

Weapons are distributed to these Druze patrols in southern Lebanon by the IDF, but without serial numbers. In every village or neighborhood, some sort of local patrol station has been set up where the people gather and leave on assignments. We visited one such station near the marketplace in Hasbayya. This is also where Lt Colonel Isma'il Kablan receives, in his office, the residents who come to speak with him and seek his help and that of the IDF. In one of the rooms there are iron beds set up for the guards to sleep; in another room, a small kitchen. The foodstuffs and other supplies belong to the IDF. The cook, a local resident, is working on lunch--standing over a large pot and an old kettle. In another room, which is locked and looks like a small storeroom, are the weapons collected from residents when the IDF entered town. There is also a special bedroom for guests in high command positions who visit Hasbayya.

At the entrance to the building, over which hangs a sign in Arabic reading "Lebanon is Free," are the guards--men in their thirties. They are wearing IDF seconds, with no insignia and they are carrying weapons given to them by the IDF. The radio in the background is playing pleasant Arabic music, but the guards eyes are atuned to every suspicious movement.

"the arms that the local people receive are kept in their homes, but they are not allowed to leave the village with them. They have permits from the northern command which so state, explicitly. We provide them with training," says Isma'il, "And that is just the beginning. If we stay here, they may be soldiers in our service. My personal hope is that the young Druze from Hasbayya will serve someday in the IDF," he adds.

At this point in time, the establishment of a force is still in its infancy, but already several hundred Druze--some young--have automatic weapons in their homes. Although they can't take the weapons out of the village or town, in fact there are no Israeli guards at the entrance to each and every village to enforce the rule.

If they overcome the conflicts and fighting between Druze and Phalangists in 'Alayh, Shu'ayfat and Damon, these Druze from Hasbayya and the surrounding area who have automatic IDF weapons, may join their brothers in northwestern Lebanon. In the meantime, Isma'il explains, they guard their homes and help establish a feeling of security among the residents, along with the regular IDF forces stationed in the area.

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CSO: 4423/43

STOCK MARKET COLLAPSE DISCUSSED; EFFECT ON BAHRAIN

London ARAB BANKING AND FINANCE in English No 4, Dec 82 pp 17, 20-21, 25

[Text]

The recent collapse of Kuwait's unofficial stock market, Souk al-Manakh, has shattered business confidence among a people enjoying the highest per capita income in the world. Shakib Otaqui shows how and why the bubble finally burst.

Kuwait's Souk al-Manakh has come close to living up to its name in recent months. The unofficial Gulf stock market is housed in the lobby of a commercial building on a site where camels once sank gratefully to their knees at the end of a long caravan journey. The market's recent collapse almost brought Kuwait's financial and commercial systems to their knees.

"The market has dissolved the glue that holds Kuwaiti society together," a financial analyst observed wearily at the height of the crisis. The trust that underpinned much of the country's business

methods has virtually disappeared. Relations between the government and newly revived parliament have soured and a wedge has been driven between wealthy and less wealthy Kuwaitis and between Kuwaitis and the expatriates who form a majority of the population.

The origins of the crisis are well known and fully documented. Unregulated greed, manipulation and fraud did much to inflate the bubble but the government must take a great share of the blame for wielding the pin that caused it to burst. During a stormy session of the National Assembly in October, Commerce & In-

Industry Minister Jasssem al-Marzouk argued that it was impossible for the government to regulate the Manakh as it had no legal existence. This disingenuous argument was not well received by the government's critics in the assembly.

Some observers believe the government faced genuine difficulties in imposing controls on a market dominated by some of Kuwait's leading commercial families. They believe government policy was to give the market manipulators "enough rope to hang themselves" — a plausible explanation bearing in mind that government in Kuwait operates by consensus more than in any other Gulf country. However, critics say the government gave them so much rope that they almost throttled other aspects of Kuwait's financial and commercial life as well.

Government policy in other areas helped to precipitate the crash. From April onwards, business confidence was progressively shaken by Iraqi setbacks in the Gulf war and a small but growing flight of capital took place in late spring and early summer. At the same time, a slowdown in Iraqi orders added to the cash-flow problems of merchants who had over-invested in stocks to supply what had once been a booming market. The cost of financing these stocks in a liquidity-short economy grew ever greater.

The "austerity" budget announced in April by Finance & Planning Minister Abdel-Latif Yousef al-Hamad further dampened business confidence. Al-Hamad hoped to use the psychological climate induced by falling oil revenues to impose some discipline on government spending and reduce public expectation of the government as a source of permanent services and subsidies. He therefore made much of a notional budget deficit, doubled fuel prices, and warned of potential bankruptcy within four years if government spending was not reduced.

Al-Hamad's policy had two effects. Liquidity was further tightened by a budget limited to 5% growth from the previous year — this in an economy accustomed to growth rates of 20-25%. More serious, however, was the psychological impact on an already battered business confidence. Government policy was, in effect, "reinforcing the business cycle rather than counteracting it," a local economist told ABF.

The impact on both the official and Manakh markets was immediate: prices first stopped their astronomical rates of growth, then began to fall back. As the trend accelerated, dealers who had written postdated cheques with premiums based on ever-rising prices began to feel the squeeze. Once shaken, confidence in the markets rapidly collapsed.

In July the Central Bank further precipitated the crisis by issuing stricter orders to commercial banks against discounting postdated cheques. This had long been against Central Bank policy but had been practised by some banks because of the lucrative profits generated.

As liquidity further tightened, many dealers became squeezed. A large number of the "financiers" who had fuelled the boom left the market, further restricting liquidity. To raise cash, some cheque holders even offered to reduce the premiums but this did not help. In desperation, some presented their cheques for payment two to four weeks early, as allowed under Kuwaiti law. When the Manakh's largest dealer, Jasssem Mohammad Khaled al-Mutawa, was unable to meet his obligations, a domino effect was triggered off. The crash was on.

Crisis measures

The market first tried to avert total collapse in a time-honoured Kuwaiti way. Voluntary committees were formed to bail out Al-Mutawa and other dealers; but as the dimensions of the problem were revealed, panic set in, especially among smaller traders relatively new to the market. These began to resort to the courts and a total collapse of the system looked likely.

The government initially tried to deal with the crisis through market mechanisms. The Central Bank pumped liquidity into the system and encouraged commercial banks to lend to dealers with temporary liquidity shortages. Kuwait Clearing Company was formed to help sort out the tangle of postdated cheques and United Securities Group was founded as a market-maker to underpin share prices. Futures trading was temporarily banned — a lame measure as no trading was taking place at all.

All these measures proved futile. By mid-September the government was forced to issue a decree ordering all postdated cheques to be registered within 30

ways to measure the problem accurately. The decree set up arbitration panels to resolve postdated cheque disputes and, most important, ordered a halt to court proceedings pending arbitration by the boards. It also included a provision for reduction of the premiums built into the cheques.

The decree caused a storm in the National Assembly. Critics accused the government of protecting big dealers at the expense of others. Members claimed — probably correctly — that some debtors able to meet their obligations were delaying payment in the hope that the arbitration panels would reduce the premiums. Some were accused of smuggling funds abroad to avoid payment. After much discussion and delay, the decree was finally passed overwhelmingly on 9 November.

The government has responded to these criticisms. Acting through state-controlled investment companies, it has discreetly entered the official stock market to buy shares — at depressed prevailing prices — from small investors, thus easing the liquidity shortage. It has announced a KD 500 million (\$1,720 million) fund to bail out small creditors. This offers cash payment to holders of cheques valued at up to KD 100,000 (\$350,000) and government bonds maturing in up to five years for holders of cheques valued at up to KD 1 million (\$3.5 million). There is a KD 2 million (\$7 million) limit on compensation to any one investor. The fund is to be repaid from the liquidated assets of debtors ruled bankrupt by the arbitration panels. The government has promised tough action against defaulters: those who smuggled money abroad to avoid payment will face five years' jail.

Assessing the damage

The size of the problem is now clearer. A total of 28,861 cheques have been registered, with a face value of an incredible KD 26,700 million (\$92,000 million). It is thought that up to KD 18,500 million (\$64,000 million) of this was accounted for by Al-Mutawa and seven other members of his circle. These eight men have been banned by the arbitration panel from leaving the country or disposing of their assets.

It is thought the cheques will net out to about KD 7,000 million-8,000 million (\$24,000 million-27,000 million).

The government has now said they must be paid in full, without reducing the premiums they carry. However, many holders are likely to accept a reduction, if only to guarantee early payment, in which case the balance could be reduced to about KD 2,000 million (\$7,000 million).

This is still a huge figure and will inevitably lead to some spectacular bankruptcies. "It will cause a massive redistribution of wealth — rich debtors will have to dispose of assets to meet their obligations, while the relatively less wealthy will be underpinned by the government fund," one analyst told ABF.

Indeed, those compensated from the fund will be able to buy — at distress prices — the assets of those forced to sell up. The government itself will probably also be a buyer, notably through its land expropriation programme. It may yet make a profit from the rescue operation, as property prices have collapsed with the stock market to little more than a quarter of levels earlier in the year.

The government rescue operation has defused the immediate crisis, although the problem will take at least another nine months to resolve. The clearing operation will be difficult because records are defective: many cheques have no record of their purpose and some cover both stock market and property deals, which are not covered by the decree. There is an urgent need to sort out the book-keeping because many companies have to prepare their balance sheets by 31 December. Many had postdated cheques in their balance sheet: in one case they accounted for KD 11.5 million (\$40 million) out of KD 13 million (\$45 million) in total assets.

This shows the wider impact the Manakh has had on the economy. That same company earned KD 12,000 (\$41,000) from operations in 1981, compared with KD 2.5 million (\$8.6 million) from financing stock deals. "Many firms gave cash dividends from unrealised profits and made rights issues to finance further market operations," an investment adviser says.

After the fall

The aftermath of the crash will be felt for some time. Commercial banks are already squeezing their customers, whether or not they are involved in the market. "We are looking at a KD 50 over-

draft as closely as a KD 50,000 loan," says one banker. Some local importers have had difficulty in paying their bills and local contractors have in some cases delayed payment to workers or subcontractors. Suspicion of cheques is such that many businessmen insist on them first being certified by the bank.

Lack of confidence has badly hit the consumer goods market. Car sales are down and even Mercedes has been forced to offer discounts. Shops selling electronic goods — almost too crowded to enter in April — were almost empty in October, with shopkeepers standing forlornly in the doorways trying to attract business.

The primary KD bond market has once again been suspended (see page 20). Conservative investments abroad have been shunned. "Even respectable Kuwaitis are afraid of being accused of smuggling their assets abroad," laments an under-employed investment adviser.

Kuwaiti banks are likely to emerge from the crisis with little serious damage but some were more deeply involved in the market than they cared to admit. The National Bank of Kuwait (NBK), the giant of the market, could emerge even stronger: its status is such that at one point it was able to attract depositors' funds at 13% for on-lending on the interbank market at 16%. The Bank of Kuwait & the Middle East further enhanced its reputation by its conservative conduct prior to the crisis. Commercial Bank of Kuwait is also in a strong position. Like NBK it writes off physical

assets to expenses within a year, so that its investment in land and buildings is valued on the balance sheet at only KD 1 (\$3.50), so building up substantial hidden reserves.

As the economy begins to recover, the question of the stock markets' future is beginning to be considered. The Manakh itself will almost certainly not survive in its present form. Citizens of Bahrain and the UAE — where Manakh companies are registered — have been hurt by the crash and their governments are now looking more closely at such companies. Some of the Manakh's more respectable companies will probably be allowed to register on the official stock exchange. New firms will also be admitted to offer wider investment opportunities.

Trading methods will also have to be improved. The existence of two newly-formed jobbing companies will help to underpin the market. The role of brokers will be developed beyond their present status as middlemen. Most important will be the regulation of forward trading, which will almost certainly mean the end of the postdated cheques which have caused so much trouble.

Many alternatives to the cheques have been proposed — notably the use of traded options which has worked well in the West. However, the mechanics of the system are less important than the way in which the system is played. Even the much-maligned postdated cheques will be missed: they played a useful role in Kuwait's commercial system until they were abused by the Manakh fortune-hunters. □

STATISTICS ON LABOR FORCE CITED

Kuwait AL-SIYASAH in Arabic 2 Dec 82 p 5 Statistics on Labor Force

[Text] Utilization of Incoming Work Force for Second Quarter of this Year/ 20,942 Entry Permits for Work, First-Time Work Permits Total 19,630. 20,609 Permits Renewed * Work Opportunities for Asians Greater than Those for Other Nationalities, Especially in Agriculture and Building * The Kuwaiti Labor Market is Still Attractive, Increase Posted in Workers Coming from Arab West

The Labor Administration of the capital city governorate in the Ministry of Social Affairs and Labor issued a report concerning the utilization and basic characteristics of the incoming labor force in the second quarter of the current year, 1982.

The report says that despite the limitations placed on the issuing of entry permits for labor purposes, which are equivalent to employment opportunities permitted to the labor market, the number of such permits is continually increasing. The report confirmed that the number of entry permits for labor in 1982 reached 20,942, and that first-time work permits had reached 19,630, with the number of work permits renewed being 20,609, and the practitioners of free occupations being 237 in number. The number of resident permits for work transferred to other sectors was 741, and the transfer of such permits within the domestic sector totalled 3,141.

The report dealt with six basic sections:

The First Section: Economic Activity

First: Entry permits for labor. A number of phenomena become clear here:

- * The Tunisian work force in the country has increased noticeably.
- * The Egyptian workers have the greatest work opportunities.
- * The largest number of opportunities are found in contracting, followed by transformational industries. This is approximately the same labor structure discerned by past reports.

* The Asians have more opportunities for work than the other nationalities, especially in the agriculture, construction, building, transportation and services sectors.

*Work opportunities are still monopolized by the construction and building sectors.

* Work opportunities in the petroleum sector are few, due to the stability of its work force, something accounted for by the favorable working conditions. Aside from Kuwaitization of a part, there is no problem with its work force.

* The opportunities in the service sector arise from the fact that some governmental circles have begun to concede a portion of their functions to others, especially in the area of services to the domestic sector.

Second: First-Time Work Permits

Such permits represent the work force added to the labor market, the method being to use the entry permit for labor purposes. It is to be noted that the sum total of opportunities was 20,942. Those who entered the country were 19,630 in number. Information noted in the first paragraph can be applied here as well; there is no need to repeat.

Third: Renewal of Work Permits

This is a settled work force. As we have already made clear, it contains workers whose permits for other sectors have already expired, as well as those not authorized to work, such as women and children associated with a provider. This work force is somewhat different from the 'added-on' work force.

Fourth: Cancellation and Transferring within the Domestic Sector:

If the number of workers whose permits were renewed and who are settled is 20,609, those workers who have changed their place of work number 3,141, and they are numbered with those leaving the country in the statistics on the circulation of labor.

Fifth: Final Cancellation

The report said that the workers who have left Kuwait number 5,540, 3,648 of whom were in the building and construction sector and left when their work-time in this sector ran out. It is to be noted that the Asian component in this group numbers 3,018 workers. The report added that the workers who had been in Kuwait less than a year numbered 2,373, and that those who had been in Kuwait over a year numbered 3,167.

The Second Section: Workers According to Occupation

1- Entry Permit for Work

The report said that opportunities for women to work had reached 590, while those for men stood at 20,352. Opportunities in production numbered 15,025, of which 8,729 were monopolized by the building and construction sector. Opportunities in the educational sector numbered 2,088.

2- First-Time Work Permits:

The report stated that the total distribution of the incoming and additional labor force reached 19,630. The construction sector took 9,439 of them in productive trades. The basis of the framework of this sector numbers 8,116, while the total number of workers in production is 12,847.

The number of working women reached 722, the service sector employing 421 female workers out of a total of 450. Work for women is mostly of the traditional sort, in education, nursing and other services, including cleaning.

Due to the importance of the incoming work force, which is the additional work force, the connection between nationality and occupation is made clear in schedules 1/9, 3/9 and 4/9, allowing a few phenomena to be pointed out:

--The sum total of occupations is 127. Arabs participate in 116 of these, while Asians participate in 109.

The Arabs show a wider occupational dispersion than the Asians, despite the fact that the number of Arab workers is 8,406, while the Asians number 10,582.

--Productive occupations number 59. Their 12,855 employees are distributed among the various occupations.

--The Egyptian work force in Kuwait is the largest and most diverse. This indicates that the Egyptian work force is part of the major source of the labor market in Kuwait. (Total number is 5,714; number of occupations is 105).

--The Indian workers are next. They number 3,218 and take part in 87 occupations. Tunisian workers now number 67 and are distributed among 18 occupations.

3- Renewal of Work Permits

The report also indicated that of those workers settled in their work, whose number is 20,609, 552 are women and 20,057 are men.

Workers in production represent the broad base of the work force, their number having reached 13,639. The pinnacle here is administration, which takes 205.

4- Cancellation and Transferring within the Domestic Sector

This group consists of 3,141 workers, 86 of them women and 3,055 of them men. Its broad base is 1,636 strong; the pinnacle of the group is the administrators, who number 66. This number refers of course to appointments from outside the scheme of promotion; that is, from outside the institutions.

5- The Departing Work Force, Represented by Final Cancellation

The total number of departing workers reached 5,540. The skilled workers (workers in trades), as shown in schedules 7, 8, 9, number 4,301. The construction sector accounts for 3,314 of them. After doing its duty and completing its work, this work force left the country.

The Third Section: Workers According to Age Groups

It is to be noted that the Utilization Agency is striving to issue its complete statistics so that it will be possible to derive those matters of interest to labor specialists and sociologists.

The Fourth Section: Workers According to Marital Status

The work force is divided into married and unmarried categories. This data can serve as an indicator, but must not be used naively. It is better to depend on the data of the General Census.

The Fifth Section: Workers According to Wages and Economic Activity

Our study is limited to the additional work force, the settled work force, and the workers who have changed their place of work, as well as those who leave Kuwait.

1- First-Time Work Permits

The highest wage is received by 21 workers, while the great majority receive between 100 and 150 Kuwaiti dinars. The number receiving this wage is 6,086. The service sector has lower wages than the other sectors, 1,740 workers in this sector (out of a total of 3,026) receiving 50 to 60 Kuwaiti dinars per month. The probable reason is that the workers in this sector receive certain benefits like housing and food, though their wages are lower than in other sectors.

2- Renewal of Work Permits

The report said that the wages of settled workers tend to rise, and that the number of workers who receive between 120 and 250 dinars was 9,766 (out of a total of 20,609).

3- Cancellation and Transfer within the Private Sector

It is to be noted that one of the main reasons for the change might be the reception of a high wage, as 326 workers now receive a monthly money wage in excess of 500 dinars.

--934 workers receive a wage falling between 150 and 250 dinars.

4- Departing Workers

Among those workers who departed the country, 2,891 earned between 80 and 250 dinars monthly, or mid-level wages.

The Sixth Section: The Balance and the Evaluation of the Overall Situation

--All the nationalities have increased their representation, save for workers from the states of the Arab West, Korea, the Phillipines, Japan, and the states of Eastern Europe.

--There are work opportunities for these nationalities sufficient to cover the shortfall in the stock, save in the case of the Japanese.

--As far as worker distribution in the various occupations goes, we find there has been an increase in every occupation.

--The stock of workers, which is just the work force added to the labor market, equals 14,090.

The report confirmed that the Kuwaiti labor market is an attractive market, and that the work opportunities present are located in the construction sector, reflecting the state's great interest in the construction, building and housing sector.

The beginning of an increase is also noticeable in the representation of nationalities from the states of the Arab West.

The work opportunities present in the services sector have increased, but not as the result of growth in this activity. Rather, there has been a transfer of some activity in this sector from some government agencies to the domestic sector, especially in the area of services.

It is also clear that the level of money wages in the service sector is low.

12224

CSO: 4404/133

ILL EFFECTS OF ISRAELI INVASION SUMMARIZED

Paris AL-NAHAR AL-'ARABI WAL-DUWALI in Arabic No 294, 20-26 Dec 82 p 42

[Arabic: "The Lebanese Economy in Danger: The Israeli Invasion Has Devoured the Fertile Land of Commerce and the Arid Land of Industry!"]

[Text] A friend handed Premier Shafiq al-Wazzan a publication that had circulated in Tyre a few days ago which contained an invitation to merchants to import goods via the port in the city and expressed a readiness to offer the necessary facilities. There was no signature to the publication; the people who distributed it had simply put a cedar on top of it. After reading the publication, the premier said, "That is a peripheral branch of the root. The branch is the port and the root is the Israeli presence in Lebanon."

Two days after the distribution of the pamphlet, an official source in Israel made a statement in which he declared that the government had imposed an overall blockade on the export of apples, lemons, potatoes and olive oil to Lebanon and that Israeli organizations were now exporting textiles, chemical products, steel, plastics, and household electric appliances to Lebanon.

A Misleading Statement

Informed circles in the Ministry of Economy described the statement as a misleading one that concealed the facts and said that Israeli companies and organizations had suspended exports of apples and lemons, but not of potatoes, olive oil, other forms of oil, rice, sugar, soft drinks, salt and powdered milk [and were selling them] at prices which constituted a serious manipulation of Lebanese merchants, since these products entered Lebanese territory without customs duties - Israel was settling for the payment of transit fees and compelling Lebanese importers to pay limited foreign currency to the people dealing in them in the south, who were supervising the ports of Sidon and Tyre.

The circles say that the problem is not restricted to commercial manipulation -- it involves, and here is the danger, industrial manipulation. In Lebanese industrial circles there is anxiety about the future, now that Israel has expanded the exports of industrial products to Lebanon at unreasonable prices. Israeli circles have declared that exports to Lebanon exceeded \$12 million last November, but this figure is incorrect; there are reports to prove that exports exceeded \$20 million in November. In addition to that, in the wake of the decision Israel adopted to open the borders, a number of Lebanese, 20,000 to

22,000 in number, entered Israel circles entered Israel, and these "tourist" have been spending massive amounts of money, which Israeli circles have avoided referring to.

Difficulties

The circles add that a group of factory owners in Lebanon have refrained from resuming activities for reasons connected to the disturbed state of security and the difficulty in getting at Arab markets in the Gulf. However, the plan to normalize relations which Israel is carrying out has started to pose a great danger to Lebanese industry. This plan is aimed at attaining three objectives. The first is the "withdrawal" of the greatest possible amount of Lebanese money by means of Lebanese "tourists," the second is the sabotage of industry in Lebanon and the third is paralysis of the activity in the port of Beirut by use of the port of Haifa and promotion of the ports of Sidon and Tyre.

These circles consider that economic conditions in Lebanon have started to confront serious difficulties and that experts have been warning of grievous complications if an agreement is not reached on withdrawal of the Israeli forces in the next 6 months.

11887

CSO: 4404/153

GOVERNMENT ANNOUNCES NEW ARMY, SECURITY CHANGES

Paris AL-NAHAR AL-'ARABI WAL-DUWALI in Arabic No 293, 13-19 Dec 82 p 9

[Article: "Changes in the Army and Internal and General Security Are the First Step"]

[Text] Changes have been initiated in organizations that are directly involved with security conditions. At last Wednesday's session, the Council of Ministers agreed to accept the resignation of Gen Victor Khuri and the appointment of Col Ibrahim Tannus to succeed him as army commander. The council also agreed to the appointment of Mr Hisham al-Shu'ar, chairman of the Central Inspection Authority, as director general of the Internal Security Forces and the appointment of Mr Zahi al-Bustani as director general of General Security. The appointment of Mr al-Shu'ar to Internal Security is in effect a return to this position, which al-Shu'ar occupied before supervising inspection, and the appointment of Mr al-Bustani to the head of General Security is in effect a return to this organization, and not to the directorate general. Al-Bustani was one of the most prominent general security officials until the date of his resignation following the election of the late President Bashir al-Jumayyil, with whom the former superior commissioner and new director general was linked by firm relations of friendship.

Well-informed persons say that it had been expected that the decisions the Council of Ministers adopted last Wednesday would be taken at the session of the Wednesday preceding that, on 1 December. However, circumstances prevented their being taken at that time.

Col Ibrahim Tannus, who was promoted to the rank of general and has become army commander, is considered one of the most brilliant of officers. He possesses high level of military capability and broad experience in administrative and legal affairs. The new commander ought to have been promoted to the rank of general when others were, but the political considerations that deprived the army of its military, administrative and legal capabilities deprived him of his normal rights to promotion.

The period of 2 months which the first legislative decree has given army officers in which to resign is considered by informed persons to be an initial step in the process of preparing for radical arrangements which the government is intending to carry out in the military organization.

11887

CSO: 4404/153

REORGANIZATION OF PLO DEEMED ESSENTIAL FOR PALESTINIAN CAUSE

Beirut SHU'UN FILASTINIYAH in Arabic Aug-Oct 82 pp 18-25

[Article by Sabri Jiryis: "Features of New Phase"]

[Text] The Israeli invasion of Lebanon, with the consequences it has generated so far, constitutes the start of a new and important phase that might be decisive for the Palestinian issue in particular and the Arab-Zionist conflict generally. This phase, though its dimensions are not clear yet because it is at its beginning, seems different in many aspects from whatever we have been accustomed to so far and dictates that many of the positions, strategies, action patterns and various activities be reassessed. Even though it is not easy to find out now all the dimensions of this new phase and what it may generate at several levels, there are at least some lessons learned from this phase which deserve to be highlighted.

Arab Weakness

There is no doubt that the state of weakness, aimlessness and division prevailing in the Arab world in recent years has been one of the main factors helping the Zionist enemy do what he has done and paving the way for implementing his schemes without any scruples or fear of being deterred. This state specifically is what made it easy for the enemy to formulate his plans to invade Lebanon with the aim, according to his leaders and media, of "destroying the substructure" of the PLO and wiping out the PLO as an independent factor in the area in preparation for what we may call "the Israeli solution" to the Palestinian issue. This Zionist scheme did not crystallize and was not put into action accidentally or suddenly because while its threads were being woven in light of the political conditions prevailing in the Arab East in recent years, there was open and public talk of the scheme in Israel in the first half of this year.

If we want to point out a certain event or date as the start of the crystallization or preparation for this scheme, we must backpedal to at least 5 years ago, the summer of the 1977, when the "elections coup" taking place in Israel at the time resulted in the defeat of the ruling Labor Party and in the assumption of power by the bigoted Likud, with its expansionist and fascist tendencies, under the leadership of the deep-rooted terrorist Begin and his companions. This was followed in the fall of the same year by al-Sadat's

famous visit to Israel and the subsequent conclusion of the Camp David accords and the Arab-Israeli peace treaty which created in the Arab world a new situation to which this world had not been accustomed before. Proceeding on the basis of this situation, the Israelis tried to create a new reality suiting their purposes.

The Israeli-Arab peace treaty, despite the dangers it has brought the Arab world on the one hand and the concessions it has given Israel on the other hand, has not received the applause and welcome of the Israelis. On the contrary, the treaty has been the subject of broad criticism by numerous Zionist circles and for various reasons. We are not here in the process of reviewing the Zionist position, with its various dimensions and complexities, toward this treaty. Rather, we will be content to point out here that each of the two main Zionist currents, namely the labor coalition (the Mi'rakh) on the one hand and the rightist coalition (the Likud) on the other, has found that one of the treaty's benefits is that it enables Israel to solve the Palestinian issue, the main Zionist crisis, according to the Zionist entity's wishes. As for the Likud in its capacity as the ruling party, it believes that the Camp David accords have freed its hands to deal with the Palestinian issue according to its concepts, meaning that the self-rule supposed to be established in the West Bank and Gaza Strip will be no more than a cover for the continued Israeli colonization of these areas in preparation for annexing them to Israel when the expatriate Palestinians disappear in the Arab countries in which they live. Prior to the implementation of the last part of the Egyptian-Israeli peace treaty and to the final withdrawal from the remaining parts of the Sinai, Israel tried at the end of last year and the beginning of this year to compel Egypt, and to a degree the United States along with it, to accept its interpretation of the provisions of the Camp David accords concerning the Palestinians, trying to blackmail them by delaying its withdrawal from the Sinai, but to no avail.

However, the obstacles faced by Israel in this regard did not emanate, practically, from the Egyptian or U.S. position vis-a-vis the Israeli concept of the Camp David accords but rather from the position of the Palestinians themselves generally and of the PLO in particular. These accords were faced with intensive and broad opposition by the Palestinians, both at the popular and official levels, who were supported by numerous Arab sides. This opposition reached such a comprehensive degree that the parties to the Camp David accords could not find even a single important Palestinian agreeing to march with them. This broad and effective opposition was coupled with the PLO's inclination to bolster its political influence and, consequently, its military strength, especially in its main areas of presence in Lebanon, beginning to incorporate and use heavy weapons, such as tanks, guns and similar equipment. This seemed to the Israelis the start of forming a striking military force that could gain strength gradually and pose danger to Israel, even if only in certain respects, in the future.

It is on the basis of this background that the "new" Israeli policy toward the Palestinians had been developing and turning toward the use of violence, in a manner surpassing that to which we had been used in the previous phases, as a means for solving the problem faced by Israel. This policy reached the

extent whereby Rafael Eitan, the Israeli chief of staff, raised his well-known slogan that there is no solution other than the military solution to the PLO "problem." The implementation of this policy was then started at more than one level and in various spheres.

Regarding the occupied areas of the West Bank and Gaza Strip, when it became obvious that the local leaderships refuse to cooperate with the Zionist occupier, the Israelis resorted to a measure which any entity calling itself a state would be ashamed of resorting to, namely organizing the few inhabitants of the occupied territories collaborating with them in the Village League gangs, training and arming these gangs and then letting them loose to engage in acts of "gangsterism" against the Arab inhabitants generally and against the national leaderships in particular. When these groups failed to achieve any noteworthy "accomplishment," the Israeli occupier began to implement directly its oppressive measures against the national symbols by deporting a number of well-known leaders from the occupied territories and by endangering the lives of others, by dismissing the mayors refusing to deal with the occupation and dissolving the elected municipal and village councils and appointing those collaborating with the occupation to replace them. These oppressive measures were accompanied by trivial attempts by the occupation authorities to create a substitute "leadership" to the PLO. But this leadership ended as soon as it started when it became quickly obvious that it was futile.

While the Israelis were carrying out this "experiment," and perhaps because of it, a view began to develop within the Israeli ruling circles, or at least on their peripheries, to the effect that no situation will be settled in the occupied territories and it will not be possible to subjugate these territories to the Israeli schemes and to annex them to the Zionist entity in preparation for creating the greater Israel unless the issue of the Palestinian activity abroad, especially in Lebanon generally and in Beirut particularly where the main force of the PLO and most of its agencies are centered, is settled first.

This is why, from the Israeli viewpoint, the need to deal with this "phenomenon" by force emerged. The Israelis began their activity in this regard at an early time. Their determination was intensified by the challenge facing them in the form of the shelling directed at their northern settlements with heavy weapons, including artillery and rockets, during more than one clash with the joint Lebanese-Palestinian forces then present in South Lebanon. In March 1978, Israel invaded South Lebanon in the so-called al-Litani Operation. Because this operation failed to accomplish all its objectives, considering that the UN forces replaced the Israeli forces in the areas that had been occupied by the latter and that the Israeli forces were compelled to withdraw from those areas whereas the joint forces continued to be present in large parts of Lebanon, the Israelis launched a "popular war of liberation" against the fedayeen through night raids by the commandos against the fedayeen positions or through shelling those positions from the air or from sea. In a sudden move on 17 July 1981, the Israeli aircraft bombarded al-Fakihani Quarter of Beirut, killing tens of its inhabitants, on the strength of the mistaken belief that the resistance's central operations offices were located in the quarter. This action was followed by large-scale clashes which lasted

nearly 10 days and ended with a cease-fire that held in one way or another until the start of the Israeli invasion of Lebanon at the beginning of last June.

Annihilation Scheme and Its Consequences

The goal of the Israelis behind their invasion of Lebanon was to conduct a final "settlement of accounts" with the PLO by wiping out its forces and civilian agencies and capturing or killing its leaders and, consequently, by ending it as an independent factor in the area to prepare the way for achieving the Israeli schemes. To achieve these goals, the Israelis launched a major military campaign which included at its peak nearly 100,000 troops armed with the latest U.S.-made weapons. Those troops attacked the Lebanese territories along more than one point and axis and by land, sea and air. It is obvious from their conduct that the Israelis had expected no more than a military picnic, thinking that just entering the country, flexing their military muscle or carrying out a limited attack here or a raid there would be enough to spread panic among the ranks of the resistance forces, thus causing them to disintegrate and collapse, leaving the Israeli army with nothing to do but "round up" and capture these forces and then liquidate them. But this is not exactly what happened. The Zionist enemy failed to achieve the goals he had sought on the one hand and got embroiled in new problems in which he thought he would not get involved. The Zionists were disappointed at both the military and the political levels.

At the military level, despite the Israeli superiority and the basence of equality between the two sides, the Zionist enemy forces were met with fierce and large-scale resistance which obstructed their advance, prevented them from achieving their goals and inflicted on them heavy losses which exceeded, on the admission of the Israelis themselves, the losses they had incurred during the 1967 war which Israel waged against three Arab countries. In the face of the "annihilation-military picnic" scheme, the joint forces employed their own special tactic, resisting--on the admission of the enemy himself--wherever they could fight, even when it seemed that their activity was suicidal, and withdrawing in an orderly manner from the places which could not be held. Meanwhile, some of those forces "disappeared" for a while and then resurfaced to operate behind the enemy lines. No collapse and no noteworthy surrender occurred among these forces, as proven by the small number of fighters captured by the enemy. The "prisoners" which the Zionists boastfully claimed to have captured were practically civilian inhabitants of South Lebanon, both Palestinians and Lebanese, who had been arrested and driven to detention camps. To put it briefly, it can be said that the joint forces' performance, taking into consideration the balance of forces, was satisfactory during the first phase of the fighting.

As for the second stage or, to put it precisely, during the battle of Beirut and its suburbs, the situation was much worse for the Zionist enemy. Despite the enormous forces he had amassed around Beirut, his assault on the city and its suburbs by land, sea and air and the tight blockade it imposed on it, the enemy was not able to carry out its plan to enter the city. The enemy failed to enter the city not because of the "high ethics" of the Israelis or

because of the various international pressures exerted on him in this respect, despite their importance, but because of the stiff resistance displayed by the joint forces which inflicted on the enemy relatively grave losses which made it apparent that any attempt on the enemy's part to storm the city may cost him heavily in lives and equipment and caused him to doubt that he could withstand such losses. The stiff confrontation which the Zionist enemy encountered in his battles around Beirut, beginning with the severe clashes around the "steadfastness triangle" in Khaldah and with the violent artillery duels which lasted long continuous hours and ending with the battles smashing his attempts to storm the city, such as the battle which took place in the Museum area, undoubtedly contributed to "convincing" the Israelis to change their minds regarding their plan to enter Beirut.

To put it briefly, it is no exaggeration to say that the Zionist enemy did not score brilliant military victories in his clashes with the joint forces during the invasion of Lebanon. There is no doubt that the lessons learned in this regard will have their impact in the future, if digested well.

At the political level, the situation has been worse and the harm graver for the Israelis. The consequences resulting from the war have not led to achieving any of the goals that the Zionist entity had sought. The PLO has emerged from the war with its political strength unchanged, if not enhanced. Moreover, not a single international side has come out to support Israel's measures or to approve its positions. Perhaps the stance of the two other parties to Camp David, namely the United States and Egypt, in this respect is the best proof of this. These two countries, which since the conclusion of the Camp David accords had refrained from stating any definite position in such a manner which made it seem as if they were afraid of angering the Israeli side and inciting its "madness"--thus opening the door for Begin and his companions to draw up the formulas they wish and to make whatever statement that came to their mind regarding the future of the occupied territories--these two countries have been finally forced, partly under the impact of the Israeli invasion of Lebanon, to "bite the bullet" and to declare positions that are not in harmony with the Israeli position and Israeli views on the Camp David accords. Since the start of the Israeli invasion of Lebanon, Egypt has been stressing the need for recognizing the Palestinians' right to determine their future and for Israel's withdrawal from the occupied territories. Egypt, jointly with France, has also presented a plan to solve the Middle East crisis that is not at all harmonious with the Israeli position in this regard. With the completion of the Palestinian withdrawal from Beirut, the United States also hastened to present its own plan, called the Reagan plan, which is also not in agreement with the Israeli position and which has been considered the starting point for a severe political confrontation between the two countries.

The projection of these plans, or others, does not mean that the plans will be enacted or that positive results will emanate from them. On the contrary, the fate of these plans may be similar to that of the numerous plans preceding them, with these plans being watered down, then rejected and then allowed to die slowly. But the mere projection of the plans proves decisively that there isn't a single country in the world that approves Israel's position

vis-a-vis the Palestinian issue. Israel's invasion of Lebanon has come to demonstrate this fact in such a clear manner that makes it possible to say that the Israeli invasion has failed dismally in achieving the political goals that the Zionists had sought in regard to liquidating the Palestinian issue which seems to have been revived anew as a result of the invasion and which is now stronger and deeper than it was before.

Fourth Emigration

Despite these military and political consequences emanating from the Israeli invasion, it cannot be said that Israel's share as a result of its military operations in Lebanon has been pure failure. Ultimately, the Zionist enemy has succeeded in ousting by force the Palestinian and Lebanese fighters from the part of Lebanon extending from his borders to south Beirut, thus putting his settlers beyond the danger of being exposed to shelling, as was the situation in the past. The enemy has also been able to force the PLO, with most of its military, civilian and administrative agencies, to depart from Beirut and to disperse in various and far flung Arab countries in an operation, though orderly and called "an honorable withdrawal," that can be considered a fourth emigration following the 1948 "emigration" from Palestine, the 1967 "emigration" from the West Bank and Gaza Strip and the 1970 "emigration" from Jordan.

One doesn't feel deep and heartrending grief and sadness at the departure of the PLO agencies from Beirut because one doubts if this amazing, and in some respects strange, organizational structure which has been formed under extraordinary circumstances that, at times, have had nothing to do with the Palestinian issue, will bring the Palestinians closer to achieving their goals, especially since this structure has begun to display the signs of an abnormal growth that may constitute the prelude to cancerous symptoms. But despite this, the obvious truth remains--in spite of whatever consequences may result at various levels--that the Palestinian activity which emanated from Beirut under relatively comfortable conditions for more than a decade and which has achieved numerous accomplishments and gains at the level of boosting the Palestinian issue and bolstering its mainstays in more than one sphere has found itself forced, within a short time, to move to other places. With this departure begins, as is evident, a new phase in the history of the Palestinian struggle and Palestinian issue--a phase with its own premises and axioms which are based on the experiences of the past on the one hand and the expected future challenges on the other hand. This is what dictates a reexamination of much of what has been considered foregone conclusions so far.

Perhaps the first aspect that should be reexamined is, by necessity, a purely Palestinian aspect with its various dimensions. The dispersion of the PLO agencies and their "distribution" among various countries makes it necessary to reorganize these agencies and to tie them to each other effectively. This is not, in any case, a difficult operation in view of the various technological resources available. But what is more important than this is to establish new foundations and bases to organize the Palestinian people generally

in a manner that helps them in their struggle for their goals and in light of the past experiences on the one hand and of the future tasks on the other.

The PLO has led the Palestinian people's struggle since the 1960's. Shortly after assuming this task, the PLO became the Palestinian people's accredited and recognized representative in dozens of countries. However, the organization has not drawn the conclusions emanating from this qualitative step and has not introduced any change into its organizational structure, thus remaining practically a framework including the Palestinian fedayeen organizations and some independents. The PLO has also been content with establishing loose, semi-sentimental and, at times, opportunistic relations with this or that Palestinian grouping, depending on what the circumstances permit and at times on personal initiatives.

It is evident that such a situation draws dangers to the Palestinian issue, especially if the hour of decision comes. The resounding and reverberating resolutions issued by the United Nations or its agencies or by the Arab summits on the PLO being the "sole legitimate representative" of the Palestinian people are not enough to make this an actual reality. It suffices to point out that the enemies' and foes' camp still talks, when it brings up the Palestinian issue, of "Palestinians" or "Palestinian representatives" to deal with when discussing the solutions to prove that the enemy still ignores the PLO and hopes to "scratch it out" to make it easier to solve the Palestinian issue according to his schemes, dealing with the "representatives" he chooses or appoints. Moreover, and this is the gist of the matter, the PLO's present organizational structure, which is confined to the fedayeen organizations and those who support them, does not contain that which helps attract the required capabilities from among the Palestinian people to work within these frameworks. It is true that it is no easy task to reorganize the PLO. But the necessities emanating from the new phase dictate this reorganization, regardless of the difficulties. Without this, the organization's ability will remain limited and inadequate to deal with the expected developments.

The second aspect that has to be dealt with is the position toward the Zionist enemy and the means to deal with him. The starting point in this regard lies in the fact that in the past decade at least and while the Palestinian position especially and the Arab position generally have been turning toward more moderation, realism and rationalism in their search for solutions to the Middle East crisis, the Israeli position has become more intransigent, radical and arrogant. This Israeli radicalism is neither artificial, transient or intended for the purposes of external propaganda. It is real and deep-rooted among the Zionist settler society and has grown over a long period of time as a result of complex internal social, economic and cultural developments that cannot be discussed here. These developments have enabled the more radical current to assume power in Israel. In view of these factors, it seems that this current, its supporters and those allied with it will remain in power for a long time whereas it appears that the opposition, even if it succeeds in gaining power, will not be able to follow a policy essentially different from that followed by Israel's present rulers. Generally, the essence of this policy is to refuse to recognize the Palestinians and their rights, to refrain from dealing

with them as an entity or an independent party and to oppose the creation of a Palestinian state and, consequently, to reject any settlement plans founded on these bases or on any one of them.

It is obvious that this situation makes it necessary to establish new bases, premises and starting points for dealing with the Zionist enemy that are different from the bases, premises and starting points we have been accustomed to so far. With the need to continue the political activity and to seek to achieve greater gains in this respect, to exert persistent efforts to follow up on the various plans to solve the Middle East crisis and to make endeavors to develop these plans so as to serve the Palestinian and Arab interests, we must realize that when dealing with this arrogant, ferocious and self-assured enemy, the political action must be coupled with constant, effective and diverse military or para-military action capable of "convincing" the Zionists to return to the land of reality. Without this element of strength, the detours and the beating around the bush that have accompanied the Arab political action for a long time will persist and no noteworthy accomplishment will be achieved. Crystallizing the methods of this military action, expanding its sphere and enhancing its efficacy are perhaps the biggest challenges of the coming phase.

In addition to the two abovementioned aspects, namely the Palestinian and Israeli aspects, a third and no less important aspect, namely the Arab and international aspect, must be added and reexamined in light of the given facts of the war:

The Palestinians waged the latest war almost alone and most of the Arabs stood on the sidelines either as spectators, gloaters or plotters. As for those Arab and foreign countries whom some people, including prominent Palestinian leaders, liked to call "strategic allies," it has been demonstrated that they are neither "allies" nor "strategic" and that they have nothing to do with the strategy formulated for the area, even though they may be among the area's states. It must be said in this regard that we have been fed or have fed ourselves for a long time empty walnut shells which nearly killed us when the hour of reckoning came. We have done so misleading each other into believing that there are those on whom we can depend when the need arises whereas the experience has proven the contrary. This situation requires, naturally, reorganizing the Palestinian alliances, be they Arab or international, and establishing such alliances on the bases of real mutual interests, without any preconceived stances or feeble premises. Without this, we will find ourselves without real allies on whom we can depend in times of crises which will be, it seems, numerous and ceaseless.

If we were to sum up, we could say briefly that there is a need for a Palestinian revolution of a new kind: A real, dynamic, modern, efficient, successful and clean revolution. Otherwise, not a long time will pass before the PLO will turn into a lifeless entity similar to the All-Palestine Government and not a long time will pass before the documents for burying, or at least embalming, this entity are organized as a prelude to arranging the area's conditions in accordance with the schemes of the enemies and the foes.

Duty and necessity dictate that this be confronted.

8494

CSO: 4404/130

SOVIET MOTIVES FOR INTERVENING IN AFGHANISTAN CRITICIZED

Istanbul CUMHURİYET in Turkish 9 Jan 83 p 3

[Editorial by Ergun Balci]

[Text] More than 3 years have passed since the Soviet occupation of Afghanistan. But the Soviet Army, equipped with the most modern weapons, has been unable to break the resistance of Afghan guerrillas. Neither will it, by all appearances, be able to do so for some time to come.

The Afghanistan incident is meaningful in demonstrating, first of all, that wars of liberation by a determined and courageous people against a foreign army cannot be suppressed. In addition, it is once again demonstrated in the Afghanistan war what a hard time an army equipped with conventional weapons can have against small, mobile guerrilla groups, all their modern arms notwithstanding.

The Vietnam war graphically demonstrated these facts to the entire world. The Soviet Union's great misfortune is in failing to learn the lesson of Vietnam. Just as the United States once tried to conduct a war by supporting the puppet Saigon government in the Vietnam quagmire, so the 100,000-strong Soviet army is now prolonging an endless war, supporting the puppet Kabul government in the Afghanistan quagmire.

The United States maintained while razing Vietnam that it was defending "democracy and freedom." The Soviets claim that they invaded Afghanistan in the name of socialism. Yet, if the former had nothing to do with democracy, the latter likewise lacks the slightest connection with socialism. Both wars are concrete examples of a large power occupying a foreign country in pursuit of its own interests.

There is an attempt by world circles, some of which are "his master's voice," to justify the occupation of Afghanistan by the following views:

--The Soviets went into Afghanistan to pull down an order based on feudal or tribal ties and replace it with a more advanced one, socialism.

Those who express this view most likely do not believe it themselves. The Bolsheviks were firmly opposed to establishing socialism by force of arms. Trotsky said, "To think that socialism can be established by bayonets is utter madness."

Poland attacked the Soviets in 1920 and was routed by the Red Army. Lenin then ordered the Red Army into Poland over Trotsky's objections. According to Lenin, the Polish working class would support the socialist Red Army, but his hopes were dashed when the Polish army under General Pilsudski dealt the Red Army a crushing defeat outside Warsaw.

Lenin learned his lesson from this reversal and, admitting defeat, said, "There can be no socialism by conquest."

In 1921, Stalin and Ordzhonikidze sent the Red Army into Georgia and overthrew the ruling Menshevik government. Stalin misrepresented events to say that there was a great popular uprising in Georgia and the Red Army has gone in after the uprising. However, Lenin discovered the truth near the end of his life and had Stalin barred from the party secretariat in his last will and testament.

--Another claim by circles trying to justify the Soviet intervention is this: Westerners were involved in great provocations in Afghanistan. The Soviets intervened to prevent Afghanistan from falling into the clutches of imperialism.

Events cannot confirm this claim, either. Daoud, who pursued a neutral policy in Afghanistan, was overthrown on 27 April 1978 by Deputy Air Force Commander Colonel Abdulkadir and was executed by firing squad, and pro-Moscow Nur Mohammad Taraki was brought to power. Taraki himself was overthrown and killed in 1979 by Hafizullah Amin. The resistance movement was spreading rapidly at this time. Let us admit that Westerners aided the guerrillas. But didn't Moscow provide many times more aid to Nur Taraki and Hafizullah Amin? Even so, when the Soviets occupied Afghanistan in December 1979, the Muslim guerrillas were poised on the outskirts of Kabul. And that means Moscow intervened in Afghanistan on the side of the minority against the majority.

--Another claim offered by circles attempting to justify the intervention is this:

The Afghans are a primitive society living by a tribal code. The Soviets are representatives of a more advanced order.

Is it not contradictory for those advancing this claim to boast of the famed Zulu warriors who trounced the British armies in the 19th century, applauding the slap in the face of British imperialism administered by these courageous people? The Zulus at that time had only just emerged from cannibalism. The British coming to the Dark Continent as the spokesman of capitalism were undoubtedly representatives of a more advanced order.

--But the British brought colonialism to Africa. The Soviets have no colonialist ambitions in Afghanistan.

We would rephrase this question: The British came to Africa on account of economic interests. The Soviets entered Afghanistan on account of strategic interests.

--And what of the claim that the Soviets were invited into the country?

Hafizullah Amin was in power when the Soviets intervened in Afghanistan. Yet Amin was killed by the Soviets.

The Afghan army had 100,000 troops in 1979. This army numbers around 20,000 today. The majority have either fled or joined the ranks of the guerrillas. History is full of examples of puppet armies that would not fight for a cause they did not believe in.

It is nothing but a mockery of the most fundamental principles of socialism to argue that a foreign army will establish socialism with helicopters, bombs and 100,000 troops in a still-feudal society.

Such behavior is an insult to common sense and, more than anything else, will do harm to socialism.

8349

CSO: 3554/105

ECONOMIC CONDITIONS REPORTED DETERIORATING

Tehran KAYHAN INTERNATIONAL in English 30 Dec 82 p 4

[Text] ISLAMABAD, Dec 29 (Dispatches) — The Afghan economy, three years after the Soviet invasion, is staggering under an inflation rate which has reached nearly 200 percent this year, western diplomatic sources said here Tuesday.

This compares with an estimated 40 percent in 1981 and a little less in 1980, the year Soviet troops entered Afghanistan. Flour and meat prices had doubled within a year while some vegetable products on Kabul market had trebled within one year and a half.

Western diplomats said that in one month the black market price of the country's currency, the Afghani, went from 73 to 85 to the dollar. A government money printout, not backed by foreign currency reserves, was responsible for this collapse, the diplomats said.

According to two Afghan economists Abdul Hashimi and Azam Gul, who recently fled to Pakistan, the country would be bankrupt without massive Soviet aid.

The agricultural sector had

been totally disrupted by peasants fleeing the fighting either to join millions of refugees in neighboring Pakistan or to the big cities where they lived on government subsidies.

Small factories and home industries were operating well below capacity due to frequent blackouts, the economists added.

Daily Power Cuts in Kabul

Western diplomats said there were daily power cuts in Kabul, while some unconfirmed reports said in the major cities of Kandahar in the south and Herat in the west there has hardly been any electricity for months. An outdated system coupled with acts of sabotage by resistance fighters was responsible for the breakdowns.

Western diplomats also reported that Afghan authorities had cancelled December's university entrance exams and decided to conscript most Kabul high school and college students wanting to go on to further studies.

Only the best students, some

six percent of high school students, were allowed to enter Kabul University without sitting the exam. For the rest the choice was between the Afghan army, joining the resistance or fleeing to Pakistan.

The same sources said, because of massive desertions, the pro-Soviet Kabul regime intended to prolong military service which was called up for one year last January, a move which could provoke protests by conscripts.

Western diplomats also confirmed persistent rumors that a tacit truce existed between government forces and the resistance in the provincial capital of Ghazni and the surrounding villages some 150 kms (100 miles) south of the capital.

After three in the afternoon, when Afghan army soldiers have returned to barracks, armed Muslim Mujahideen openly enter the town to buy goods. Outside the town officials were tolerated by the resistance so long as they did not try to carry out official duties.

KABUL PAPER BLAMES RESISTANCE FOR ELECTRICITY SHORTAGE

LD180404 Kabul BAKHTAR in English 0424 GMT 18 Jan 83

[Text] Kabul, 17 Jan (BAKHTAR)--"Enmity With Light and Hostility With the People" is the headline of the editorial in the latest issue of daily HAQIQATE ENQELABE SAWR.

The editorial reads in part:

"The desperate attempt of the traitorous bandits and enemies on the life and tranquillity of the people of Afghanistan consisting in blowing up the power transmission structures located in uninhabited desolate deserts and valleys, once more demonstrated to our people and particularly to the noble citizens of Kabul city, the depth of the sordid nature and the rascality of these paid servants of infernal CIA and the Reagan administration, representing the plunderous imperialistic monopolies of the United States."

The editorial adds: "Of course it is almost five years that the interventionist interference and the imperialistic undeclared war headed by infernal CIA and the disgraced Carter and Reagan's administration is continuing against Afghanistan. But what has caused the American Senate and the President Reagan to unveil their masks and to declare openly their support to the Afghan counterrevolution?"

"The answer to this question is clear," the editorial writes. Alarmed by the inevitable annihilation of the last remnants of the counterrevolution they are trying to boost up their shattered morale on the one hand, and on the other they want to create more obstacles in the way of resolution of political issues around Afghanistan."

Hence, it is quite natural that the people of Afghanistan, particularly the citizens of Kabul city should see unveiled behind these smoke, blood and death caused by explosions in the restaurants of Shari Naw and the buildings of the [word indistinct] department the ugly faces of the American senators, President Reagan and their accomplice.

Perhaps, it is an irony of fate the editorial concludes that each and every people of Afghanistan and even their children without any exception should see the actions and experience objectively the filthy nature of the reaction and international imperialism, especially Yankee imperialism in their life time and with a firm resolve and unwavering support make (?decisive) effort to wipe out the last pockets of counterrevolutionary resistance in the country.

SUPERPOWERS' PLOT TO DIVIDE KURDISTAN FOILED, SAYS MUSAVI

Tehran TEHRAN TIMES in English 28 Dec 82 p 1

[Text]

TEHRAN (IRNA) - The superpowers' plots in dividing the Shiites and Sunnis of Kurdistan have been a total failure due to the people's awareness, said Prime Minister Mir Hussein Musavi Sunday in a meeting with Kurdistan Governor-General, Asgharinia and Majlis deputies of that province.

Musavi expressed satisfaction with the holding of the meeting on the heels of Unity Week (Dec. 28 - Jan. 2) to mark celebrations of the birthday of the Prophet of Islam (SAW).

The prime minister said that the counterrevolution did not want presence of the government and the revolutionary organizations such as the Construction Jihad in Kurdistan because these organizations worked for the betterment of the region and inculcated the spirit of brotherhood among the people of Kurdistan.

Concluding, the governor-general of the province gave a report on the shortcomings of the region. Premier Musavi gave the group necessary guidelines for overcoming these shortcomings.

CSO: 4600/185

FOREIGN MINISTRY OFFICIAL RESPONDS TO QUESTIONS AT PRESS CONFERENCE

Tehran ETTELA'AT in Persian 18 Oct 82 p 16

[Text] Javad Mansuri, Cultural and Consular Deputy of the Ministry of Foreign Affairs, participating yesterday in a press conference, answered reporters' questions on the subjects of student affairs outside the country, asylum of some embassy and consulate personnel of the Islamic Republic of Iran in foreign countries, and also propaganda activities: Javad Mansuri stated that with regard to the matter of the so-called refugee personnel, they generally, after being dismissed and summoned to Iran, seek asylum because of their dossiers and awareness that they will be investigated if they return to the country.

Tourism

On the subject of tourism abroad and also the travel of foreign tourists to Iran, he stated that: Actions have been taken and their respective programs will be announced; among them, people will be able to travel as a group via pilgrimage or sightseeing tours to some Moslem and Third World countries with which we will be concluding agreements.

Deportation of Iranian Students from Germany

The Deputy of the Foreign Ministry was asked:

What measures have been taken to prevent continuation of the deportation of Iranian students, of whom a few have recently been deported, and also what has been done to prevent the mistreatment of Iranian students?

Javad Mansuri replied: In some countries, because of opposition to the Islamic Republic of Iran, the police support counterrevolutionaries; moreover, the [police] violate the regulations and laws of their countries and take onesided actions against pro-revolutionaries.

In these countries media propaganda against the Islamic Republic of Iran along with the creation of restraints on supporters of the Islamic Republic has motivated impudent counterrevolutionaries, who are runaways or have been driven away from Iran and are expanding their attacks and molestation against the students and supporters of the Islamic Republic of Iran outside the country;

even more, in spite of existing laws, [they] sometimes show contempt for religious sanctities; naturally, these provocations and activities compel our dear students who believe in this revolution with their entire existence, and who understand the values of this revolution and its outcomes, to react, even though for some time they have made it difficult for themselves by only performing prayers and carrying out demonstrations, orderly marches, and Islamic rites in these countries in order to avoid encounters with anti-revolutionaries; however, after a while they naturally have to defend themselves against attacks and molestation by anti-revolutionaries and in these encounters some get arrested. Since they usually have police support, none of the counterrevolutionaries get arrested, which causes more provocation. Since one of the most important responsibilities of the Ministry of Foreign Affairs is to defend the interests of Iranian citizens throughout the world, therefore on the basis of international law and standards [the Ministry of Foreign Affairs] has been meeting with various authorities in the country and abroad concerning this matter, has sent memoranda, and has also dispatched individuals as representatives to investigate and pursue the matter and defend the rights of the students who have been attacked.

For example, concerning our dear students in Germany, during the time that they were detained, all these actions had been taken; in addition, we even closed our embassy and consulate-general in Germany for a while, on the grounds of objection to the hostile actions of the German government; also, our brother, Mr 'Azizi, the deputy of the Minister of Foreign Affairs, went to the Foreign Ministry of Germany and in a lengthy conversation objected to the German government's illogical course of action, and requested to avoid deporting students, although we are not willing to accept the deportation of even one student; however, in spite of all actions taken, even despite the efforts of the ambassador of the Islamic Republic of Iran in Germany, who did all he could, attested to by brother Hojjat ol-Eslam Moqaddam, of the Hamburg mosque, we could not prevent this action. It appears that they intended to deport 80 Iranian students, as the result of all these efforts, at the end the number was reduced to 20 and some. We were not content with these actions and upon further consultation with responsible officials and different ministers, it was decided to take over management of the Goethe Institute, and closed down the German Institute of Iranian Studies in Tehran; in reality with this response we showed that we are not indifferent towards the actions taken against us.

Asylum of Iran's Charge d'Affaires

Question: Would you please explain the question of asylum of one of the Islamic Republic of Iran's charge d'Affaires (Parviz Khaza'i) in one of the Scandinavian countries (Norway)?

Answer: The case you are referring to concerns someone by the name of Parviz Khaza'i, who had been one of the ancient employees of the Ministry of Foreign Affairs. Before he announced his intention for asylum, he took into consideration the fact that his record had been investigated, [he] had been dismissed and summoned to Iran, and a new charge d'Affaires had been dispatched to Norway. He realized that if he returned to Iran, naturally with his

negative record and associations, life would be difficult for him in the Islamic Republic of Iran. Therefore he reacted in that way, declared himself as a responsible representative of Iran, and created a propaganda atmosphere.

As a further explanation, under the new management, the records of all employees were investigated and they were summoned in groups. The majority of them have come, but a limited number who had [negative] records did not come, and brought about the problem of asylum.

After the dispatch of a [fact-finding] mission, those who were aware of their own records started this action [seeking asylum]. Even the person who had introduced himself as the Iranian charge d'Affaires in Italy and was granted asylum in Paris had been dismissed from the job two months earlier--even though the next official had already taken over--and he had only taken this action for propaganda purposes.

Usually whenever we inflict a blow on America or achieve victories at the front, such developments are discussed with a great deal of noise. For example, one of the individuals who was sent abroad, was offered one million dollars by foreign organizations to announce that he was seeking asylum. That person did not accept and returned to Iran.

Formation of a Selection Office

Continuing his remarks, Javad Mansuri said:

Since the appointment of the new management in the Ministry of Foreign Affairs, a Selection Office has been created in this Ministry. Because we believe individuals who are appointed to jobs here should be competent, and sometimes they work over six months to select an individual. Of all the individuals who have been chosen by the Selection Office, considering they total 300 people, we have not had even one person who has committed any violation. The Selection Office of the Ministry of Foreign Affairs is responsible for confirmation or rejection of individuals as cadres representing the Islamic Republic outside the country. Of course, the job level that should be given to someone is subject to other requirements. Parallel with the activity of the Ministry of Foreign Affairs and the successes achieved in different fields--one of which is changing the side of the Conference of Heads of Nonaligned Nations--propaganda against us has also been carried on, but since our revolution has endangered their [other countries'] interests, we should not expect anything else.

Worldwide Imperialist Propaganda

Question: What worldwide measures have been taken by the Ministry of Foreign Affairs against imperialist propaganda and also against the recent uproar that has been raised by Saudi Arabia?

Answer: We have been able to withstand somewhat the economic actions which have been taken against us, and using the mechanism we have chosen, we have been able to neutralize a large number of those operations.

We have also been able to eliminate, to a certain extent, a large number of military efforts, among them terrorism, full-scale war, and separatist wars, yet we have not been as successful in propaganda matters. The reason behind that is that we have not had the necessary tools, experience or necessary means. Furthermore, we have not been able to plan a program or create centralization inside the country. Of course, this does not mean that we have not done anything. With the measures that have been taken, much of the propaganda against us will naturally be neutralized. For example, many foreign Islamic dignitaries have been invited to Iran, and they have taken their observations to their countries, which has caused recognition of our revolution. The dispatch of numerous missions on different occasions during the last year and a half has been very effective in this matter. By the order of the Imam, the Ministry of Foreign Affairs has decided that each one of our diplomatic missions will have a publication to defend the position of the Islamic Republic of Iran, and explain the specifics of the Islamic Revolution. We have more than 30 publications in more than 30 diplomatic missions with circulations of more than ten and fifteen thousand. For example, in India we have three publications, in Farsi, Urdu and English. In Bangladesh, we have [publications] in English and Bengali in the form of official embassy bulletins, with circulations exceeding fifteen thousand. Considering that we have just started this program and a budget for propaganda has not been considered for the Ministry of Foreign Affairs, the results have been good; our diplomatic missions would like to have their budgets increased, in order to be able to expand the circulation of their publications to meet the demand.

In addition to these, there are a number of publications that are being published in Iran, and the Ministry of Foreign Affairs has taken action to ship and distribute them to dignitaries worldwide who previously had expressed interest [in such publications]. Furthermore, on anniversaries and special days related to the history of Islam or the Revolution, embassies embarked on vast propaganda activities, portions of which are sometimes reflected in the publications.

In addition, one of the activities of our diplomatic missions is responding to articles and publications that have been written against Iran and those replies are themselves to be considered as a propaganda in favor of this Revolution.

Tourism

Question: Would you please give explanations about tourism and pilgrimage tours, and when these activities will be starting?

Answer: Immediately after completion of the Hajj program, these tours will be started by the Organization of Tourism, which is affiliated with the Ministry of Islamic Guidance, in coordination with the Organization of Pious Foundation. There has already been some planning concerning this matter. Along the same lines, action has been taken to attract tourists from abroad, with the necessary coordination that has been carried out, in the near future, through foreign travel agencies with the cooperation of similar Iranian agencies, interested tourists will be brought to Iran in groups according to

the schedule that has been arranged by the Organization of Tourism. We have also developed a tourism program which will be carried out in some other countries. Of course, in this regard, Islamic countries will be given priority there and Third World countries will be taken into consideration.

9997

CSO: 4640/20

LEADERS PRAISE WORK OF INTERNATIONAL PRAYER CONGRESS

Tehran KAYHAN INTERNATIONAL in English 29 Dec 82 p 2

[Editorial by Abdullah]

[Text]

At the Azadi Hotel in Tehran Tuesday morning the first International Congress of Friday and Congregational Prayer Leaders was inaugurated. The congress listened to a prepared statement from Ayatollah Montazeri, read by his representative and was also addressed by President Khamene'i. This gathering, attended by 135 foreign Muslim notables from five continents is scheduled from today (December 28) through January 5.

In these few days, which coincide with 'Unity Week', a remarkably full agenda awaits the guests. This Friday, following a visit to the martyrs of the Islamic Revolution and Saddam's imposed war at Behesht-e Zahra, the congregation will attend Friday prayers at Tehran University. On Sunday the delegates will have the chance to fulfill the most oft-repeated desire of visitors to the Islamic Republic: an audience with Imam Khomeini. Among other points on the itinerary are trips to both Qom and Mashad.

The convening of this congress is another noteworthy proof of the rekindled spirit of Islam that is gradually raising the consciousness of Muslims worldwide. The fact that President Khamene'i addressed the audience and Ayatollah Montazeri's message was presented is a small glimpse of Allah's potent promise to help those who aid His cause. A few short years ago both these Mujahideen were languishing in the shah's dungeons. Who could imagine then that today these men would be in the center of affairs of an Islamic republic?

In the same vein who today can foresee the fate of those Muslim strugglers either imprisoned in, banished from, or fighting against the regimes in Iraq, Egypt, Afghanistan, Arabia, Bahrain, Morocco, Occupied Palestine, the Philippines, Lebanon and even the United States?

In today's opening session the comprehensive nature and crucial educational role of Friday prayers was delineated at length. In Ayatollah Montazeri's message he reminded the audience that the Prophet Muhammad (S.A.W.) was the

initial organizer and leading exponent of the Friday prayer gathering. The establishment of this spiritual-political-military institution was among the very first priorities of the Prophet upon his arrival in Medina. To quote the Ayatollah "We can conclude that Friday prayer is the cornerstone of the Islamic government."

If we could chart on a graph the phenomenal rise of the early Muslims; their subsequent decline and the elements responsible for the radical change in their fortunes, certainly the corruption of the real spirit and purport of Friday prayers in the Islamic nations' life would be obvious. This point was not lost on the colonizers of the Muslim world both Eastern and Western.

The British, who proved to be the most resourceful in gorging themselves on Muslim wealth and blood, systematically worked against an already weakened Friday prayer institution throughout the parts of the Muslim world Britain ruled. Even in the non-British Ottoman Empire, British hands were at work against this movement designed to safeguard the spiritual and material well being of the Muslims.

In counterpoint to the intelligent devilousness of the British vis-a-vis Friday prayers, we should not forget the mariacal bloodiness visited on the Muslim adherents to this practice by first Vladimir Lenin and then in spades by Josef Stalin. Interestingly enough the regimes in the Muslim world who protect Anglo-American interests today and those who are clients of Moscow have more or less adopted the philosophy of their patrons in dealing with matters Islamic.

Nowadays, a look at the condition of Muslims, wherever they are, will illustrate that their detractors are still bent on effacing the real meaning of Friday prayers or the institution itself from the life of the Islamic community.

The Zionist attack on Al-Aqsa Mosque last spring is still vivid. The fact that the resulting unrest in Occupied Palestine was rooted in many instances around local mosques and the Friday prayer services themselves is a positive sign for the Palestinian future.

In Egypt Friday prayers are a genuine security risk for the Mubarak regime. On any given Friday the number of secret service men in some of Cairo's major mosques might well equal the number of devote worshippers.

The House of Saud is notorious for its severe disciplining of anyone trying to revive the original spirit of Friday prayers. When will we know the number of Muslims who have vanished in that land on behalf of the Friday congregation?

The reply to the revival of Friday prayers in Afghanistan and Iraq are jail sentences and murder. This retort is pretty much repeated throughout the Muslim and specifically Arab world. In fact the dismal failure of all the Arab regimes in dealing with Israel is strictly commensurate with their suppression of domestic Islamic movements and conscious-

ness symbolized by Friday and group prayers.

Despite the darkness enveloping this prophetic institution in its own homelands, we heartily welcome the international congress underway at the Azadi Hotel. Muslims in their cell blocks from Illinois, Siberia and Rabat eagerly await its convening in Mecca.

CSO: 4600/183

KHOMAYNI WARNS AGAINST COUNTERMOVES TO ISLAMIC JUSTICE

Tehran TEHRAN TIMES in English 29 Dec 82 pp 1, 2

[Text]

TEHRAN — The members of the Office instituted to pursue the directives contained in the recent decree of Imam Khomeini announced on December 15, had a meeting with the leader of the Islamic revolution of Iran. The visitors included Ayatollah Musavi Ardebili, the Chief of the Supreme Court, Mir Hussein Musavi, the prime minister, Hojjatoleslam Imami Kashani, the chief of the Court of Administrative Justice, Hojjatoleslam Mohaqiq Damad the chief of the General Inspectorial Office, and the Ministerial Advisor in Executive Affairs. The visitors submitted their report to the leader of the Islamic revolution Imam Khomeini who addressed the visitors as follows:

"In the Name of Allah, the Merciful, the Compassionate: I must tell you gentlemen that the work you have started, that is investigation into the violations whether it is on the level of prosecutor's offices and the working of the courts, or be it investigation on the level of administrative offices and ministries, is a sacred obligatory duty which must be pursued with utmost candor and decisiveness.

"It cannot be tolerated that a country should claim to be an Islamic Republic and allow a judge — on whose impeccability the sacred Sharia (Divine law) has put so much importance — should set a city on fire and that we observe silently; or, presuming that a prosecutor acts illegally in a certain place and we should maintain silence. From now onwards, silence is meaningless.

"You gentlemen should act with utmost seriousness through this office which has been instituted to investigate offenses. Those who have

been known to commit violations should be removed by the authorities within a maximum period of three days. But if any offender is not removed from office by the concerned authorities without any justifiable reason, you gentlemen have the authority to displace such offenders on your own. Any negligence in any of these matters should not occur and due attention should be paid to the entire circumstances surrounding a particular issue, so that no one — God forbid — is unjustly victimized. But this time, we must act to relieve the people from occasional injustices that take place throughout the country.

"And if there are persons who, for their perverse aims, should want to create a counter-current (in opposition to the duty of the office to pursue Imam's directives) and should want to telephone from here and there, and the matter should come to be known that they themselves want to act in opposition to the dictates of the Shariah, I hereby declare to the people, to consider him a pervert and not to accept him in a responsible position that should be occupied by a just and upright man. The people should inform about such instances so that action can be taken against them. It should not occur that when an action is being taken to relieve the people of injustices, someone may come forth and say 'we will not do it and that we shall create a countermove.' This will mean that the work of Islam should not move ahead. The least that can be said about such a stand is that it is most grievous kind of perverseness and calls for punishment.

"No judge throughout the country has any right to resign without a cause; and if anybody resigns, wanting to create a countermove, it means that he is himself under question. Such a man should be summoned and if he does not consider himself to be capable, should confess his own incapacity and unwillingness to continue. Thereupon, in a maximum of three days, another person should be appointed in the place of the former judge or prosecutor.

"In any case, you continue your work. Any kind of negligence or leniency is not justified on the part of the commission that has been appointed for this work. Similarly, it is expected that — God willing — there would not be any excesses also. Any such excess is also illegal.

"The matter is of utmost seriousness and should not be taken lightly, and if we observe negligence or leniency on the part of anybody, he would be called upon to answer for it.

"If any official, whoever that may be, is found contradicting this matter and striving to create a countermove, it is a violation of the commands of Islam. If an official whose office calls for the station of justice (Adalat) does that, he is automatically disqualified from that station by virtue of his opposition. The related offices and authorities should remove him and if they fail to remove him the said commission is authorised to do so.

"In any case, the matter is important and the problem is that of the honour of Islam and the honour of the Islamic Republic. It is not a light matter that somebody should do so much crime in a city and another should come and sympathize with him. Such a sympathizer is the offender's accomplice; and it should not happen.

"They themselves should stop such actions otherwise they will be punished. I pray for your success, Inshallah. The work should be pursued with seriousness, and the local commissions should be appointed with care. A right type of court, or courts should be instituted to solve these problems and to investigate complaints. If the person is found innocent of charges against him, he should be returned to continue his offices and those if found guilty should be punished according to the commands of the Shariah. Those charges which call for Qisas (retaliation prescribed by the Shariah) the people should take Qisas against the offenders. Some charges which call for Ta'zeer-e-Sharie (punishment according to Divine Law) should be punished accordingly.

"Under no circumstances, should any violation in this matter take place. Whoever tries to create a countermove will do so to his detriment. And we declare this to the people: whoever wants to do such a thing and tries to stop Islam from doing its work is worse than what the hypocrites are doing; because they want to create a countermove against the laws of Islam, and those who do such a thing, are a part and parcel of those (hypocrites).

"May peace and mercy of Allah be upon you."

WORLD ISLAMIC ASSEMBLY SHOULD BE FORMED, SAYS MESHKINI

Tehran TEHRAN TIMES in English 3 Jan 82 p 1

[Text]

TEHRAN (IRNA) - In the closing day of the Global Congress of the prayer leaders here, Friday prayer leader of the Holy City of Qom, Ayatollah Ali Meshkini suggested the formation of an Islamic Majlis (Assembly) of the world.

Addressing some 130 guests from forty countries, Ayatollah Meshkini said that such a Majlis would be beneficial to the creation of a unified Islamic world and would create conditions under which constitutional laws of Islamic countries would be evaluated and formulated on the basis of teachings of Qoran.

In the continuation of his speech the Qom Friday prayer leader said that by formation of the Majlis, one billion Moslems of the world who are gathered under the banner of

"There is no God but Allah and Mohammad (S.A.W.) is the messenger of God" and thereby a great power would be created. With all the advantages of the natural resources and rich Islamic culture of the Moslem countries, one could realise the dimensions of such a power, he added.

Representatives from Sierra Leone, the United States, Indonesia, Afghanistan, Pakistan and South Africa addressed the Congress. The Malaysian representative, Sheikh Yahya Haj Osman, stressing the importance of support of the Islamic Republic for the oppressed Moslems said that the Islamic Revolution of Iran should strive towards liberation of the oppressed Moslems of the world and create the necessary coordination required for this endeavour.

CSO: 4600/188

UNITY WEEK CONFERENCE ADJOURNS, ISSUES COMMUNIQUE

Tehran TEHRAN TIMES in English 4 Jan 83 p 1

[Text]

TEHRAN (IRNA) - The week-long Unity Week session of Friday Prayers Leaders from five continents, held on insistence of prominent Islamic Scholar Ayatollah Hussein Ali Montazeri concluded on Sunday with the issuance of a 13-point communique as follows

1- The Friday prayer leaders in their sermons must speak about their regional events and issues in accord with the general interests of Islam and against world arrogance. We extend our firm support to the Friday and congregational prayer leaders who act accordingly.

2- We emphasise on the necessity of forming an international organization and institution comprising Friday and congregational prayer leaders with the involvement of their gatherings in the Islamic Republic of Iran. For this purpose it is necessary that this body establish a permanent secretariate in this country (Iran) and open branches in other Islamic countries.

3- The threat of world arrogance and Zionism must be reminded in the Friday prayer sermons in such a manner that Moslems would become aware and feel responsible in carrying out their grave duty to defend the dignity of Islam and curtail the aggressions against the Islamic territories of Palestine, Lebanon and Afghanistan

4- The content of the Friday prayers sermons must firstly stress on the inseparable nature of religion and politics and the harmony between them and to clearly prove this to the people. Secondly the sermons should make the people aware of all respects of social life. Thirdly, these sermons must prepare the grounds for the creation of an Islamic state in all countries with the active and close supervision of the committed Ulema and Islamic scholars. Forthly, the sermons should be rich in

content in order to give the people knowledge, unify them, strengthen their spirits as well as encourage them to remain in the scene of the social and political activities

5- The sermons must clarify the policy of neither East nor West for the people in all of its aspects

6- The Friday prayer leaders must reveal and frustrate the treacherous and diversifying conspiracies among the Moslems, which are taking place under the pretext of religious differences, through their constant emphasis on Islamic unity

7- Mosques should return to their real and basic task as the stronghold of struggles free of all corruption and they should be transformed into a spiritual, cultural, political and military base just as it was during the time of the Prophet Mohammad (SAW)

8- The Islamic Ulema must firstly be independent in organizational and financial matters to the extent possible. Secondly, they should give new life to their role which is the continuation of the mission of the Prophets (AS) and directed towards enlightening the people and revealing the nature of friends and enemies of Islam and also struggling against the despots of the time as well as drawing up plans to achieve these goals.

9- The Holy Shrine of the Moslems and Bait ul Moqadas, just as the great jurisprudent and honorable Mujahid Ayatollah Ozma Montazeri has stressed, belong to all Moslems and they should be administered by a delegation consisting of the representatives of various Islamic countries.

10- The calendar of all Islamic countries must be based on the Higura of the Prophet

11- The Arabic language, which is the language of the Qoran must be acknowledged as the international language of the Moslems.

12- The official holiday congress of Friday and congregational prayer leaders should be held annually in the Islamic Republic of Iran, which is the base of the Moslems and the Mostaza'fin (deprived) and the week during which it is to be held should be named as the week of Friday and Congregational Prayer

FUTURE OF PERSIAN GULF BELONGS TO ISLAM

Tehran TEHRAN TIMES in English 3 Jan 82 pp 1, 2

[Text]

TEHRAN (IRNA) - In the aftermath of the Saturday night's Supreme Defense Council meeting, Hojjatolislam Hashemi Rafsanjani the representative of Imam Khomeini in the council, said the Islamic Republic of Iran was empowered to counter the French government's plans and fancies for prolonging Saddam's life and that the future of the Persian Gulf region belongs to Islam.

He said that the Iranian terms for ending the Iraqi imposed war on Iran, had not changed and remained the same as declared in the beginning, i.e. the withdrawal of the aggressor forces from Iranian territory, the payment of war reparations by the aggressor, and the punishment of the aggressor party, which is Saddam and the Iraqi Baath Party.

He added that there existed other terms such as the return of Iraqi deportees to their country.

Speaking on Saddam's crumbling regime, Rafsanjani added the imperialists had

realized that Saddam is bound to fall, and thus have decided to prolong his life, since they are unable to gather man power for him. They have decided to arm Saddam with ever more sophisticated weapons, hence prolonging the war. He said France has been chosen as the party to carry out this conspiracy.

Rafsanjani said Iran had come to the conclusion that these sly measures of colonialist France should not remain unanswered and that Iran has the power to counter the French fancies and hopes and that the future of the Persian Gulf region belonged to Islam.

When asked on Saddam's futile efforts in the fronts to infiltrate in the ranks of the Islamic combatants of Iran, Rafsanjani said the Iraqi army had no power to do anything on land, and if it did something, it soon had to retreat.

He noted that the only way left for the Iraqi regime was to resort to theatrical shows by using sophisticated

arms, provided by the Superpowers. He said the council had discussed ways to block Saddam's such measures.

Rafsanjani, referring to the situation in Lebanon, and the Lebanese-Zionist rapprochement, and the Zionist and foreign forces' presence there, said those topics were also discussed in that meeting.

Speaking on the security of the Persian Gulf, Hojjatolislam Hashemi Rafsanjani said the Iranian stand is similar to the past, i.e. preserving the security of the Persian Gulf.

The meeting last night was chaired by President Khomeini, and attended by Speaker Rafsanjani, Hojjatolislam Ahmad Khomeini, Chief of the Joint Staff, Zahirnejad, Defense Minister Salimi, IRGC head Reza'ie and IRGC Minister Rafiqdust, along with Foreign Minister Velayati, head of the Majlis Defense Committee, Rouhani, head of War Information Headquarters Kharrazi, and Nazaran, the secretary of the Supreme Defense Council.

GUARDS COMMANDER DISCUSSES INTERNAL SECURITY

Tehran TEHRAN TIMES In English 30 Dec 82 p 1

[Text]

TEHRAN (IRNA) - Mohsen Rezaie, commander of the Islamic Revolutionary Guards (IRGC) of the Islamic Republic of Iran in a press interview here on Tuesday talked about the country's internal security vis-a-vis scattered terrorist activities in Kurdistan province and elsewhere in the country as well as the Iraqi imposed war and the latest message of Imam Khomeini and how it affects the IRGC.

Mohsen Rezaie said operation "Martyr Ashrafi Isfahani" against the anti-revolutionary groups such as Munafiqeen (MKO), Toofan, Komaleh and Sahand was highly successful.

He said that in this operation 100 MKO members were either arrested or killed while some of them managed to flee to Kurdistan.

The IRGC commander said that 70 percent of the Sahand group had been crushed, (either killed or imprisoned). He said that this group is comprised some students and instructor from the University of England and Zionist elements who had recently commenced operations in Tehran.

He said the Komaleh group, active in Tehran and Kurdistan has been practically destroyed.

Mohsen Rezaie further

said a document found in a raided hide-out of the outlawed MKO reveals its links with the Baath Party of Iraq, commencing in 1982. He said Saddam's advisor in a meeting with MKO members pledged and delivered arms, ammunition, medical supplies, food and cash.

The IRGC commander said that Toofan group had had also received crippling blows as a result of operation "Martyr Ashrafi Isfahani" and we are able to reopen the Piranshahr Sardasht axis.

The 83 years old Friday prayers leader, Ayatollah Ashrafi Isfahani who was also the special representative of Imam Khomeini to Bakhtaran province was martyred in a terrorist grenade explosion at the city's Jame Mosque during the Friday prayers ceremony on Oct. 15.

He also said that in the Hamza Seyyed-o-Shohada Hq. operations, 324 counterrevolutionaries were killed, 212 arrested and 410 wounded. Also a large quantity of ammunition was seized.

This operation against the anti-revolutionaries involved the gendarmerie, the armed forces of the Islamic Republic of Iran and about 10,000 volunteers from Kurdistan pro-

vince.

On the recent 8-point decree of Imam Khomeini, Mohsen Rezaie said that this message of the Imam had a great influence on the IRGC, and seminars will be held to make a more detailed study of the Imam's message.

The unprecedented enthusiasm of our people for participating in the war, forced us to establish a system for enlistment.

Our forces deployed in Lebanon against the Zionist are at present in a state of training and publicising and have not interfered in the internal affairs of Lebanon, and condemning the Baalbak affairs last month even the Lebanese authorities have denied Iranian combatants involvement, he said.

Mohsen Rezaie on the "Unity Week" said that our revolution aims at confronting the satanic powers and in order to unite the Moslems of the world against the oppressor Superpowers.

Concluding the commander of the Islamic Revolutionary Guards Corps hoped that in spite of all the plots by the Superpowers we will be successful in raising the standards of our Islamic Republic to the highest level possible in order to annihilate Saddam and his links.

CSO: 4600/187

DEFECTORS JOIN MUJAHEDIN IN ATTACK ON SOVIET AIRFIELD

Tehran KAYHAN INTERNATIONAL in English 30 Dec 82 pp 1, 2

[Text]

ISLAMABAD, Dec. 29 (Dispatches) — Soviet soldiers from the Muslim Republic of Uzbekistan helped Muslim Mujahideen attack a major airfield in Afghanistan last week by showing the way through minefields, western diplomats said today.

The diplomats said there was extensive damage to parked aircraft and airport buildings during the raid on the Baghram airfield north of the Afghan capital Kabul.

Uzbek soldiers guarding the base guided the guerrillas through minefields around the airfield perimeter, they said.

Afghan Muslim guerrilla groups have reported growing support in Soviet Muslim republics bordering Afghanistan.

Earlier this year travellers returning from the Soviet-Afghan border said guerrilla groups claimed to have distributed thousands of their membership cards inside the republics.

The diplomats said the date of the attack on the Baghram airfield was unclear but it appeared to have coincided with attack on Jalalabad Airport near the Pakistan border.

Baghram airfield, housing many Soviet pilots, was extensively used earlier this year for air raids against guerrilla concentrations in the Panjsher Valley, a major resistance stronghold north of Kabul and the base for many sabotage raids on Kabul.

The diplomats said the attacks on the two airfields seemed to signal a new strategy by guerrillas to blunt Soviet air power which

has been one of the most effective weapons against them.

Pierce Attack on Jalalabad Airport

The commander of the Afghan resistance in the eastern province of Ningarhar Tuesday claimed that his men successfully destroyed 10 Soviet helicopters and caused widespread damage to installations at Jalalabad Airport in a "spectacular attack" early last Wednesday.

Two days ago, several rebel sources said a group of 50 Muslim mujahideen armed with rocket launchers and mortars raided the airport on the night of December 22 to 23 and caused heavy damage.

Various sources had reported then that three helicopters and four tanks were destroyed, but 60-year-old rebel leader Maulawi Yunus Khaless said Tuesday that beside 10 helicopters, his guerrillas destroyed a radar station, observation towers and other installations.

Meanwhile, according to the Afghan Islamic Press (AIP) news agency, the new estimates came from a Muslim Mujahideen source in the Afghan Army.

The informant, who reportedly works at Jalalabad Airport, was quoted as telling AIP that a group of rebels took a security cordon by surprise, "creating panic" among the soldiers.

Over 100 government troops and airport guards were killed or wounded in the operation which, according to rebel sources, was planned for the eve of the third

anniversary of the Soviet invasion of Afghanistan.

The attack on Jalalabad was so fierce that the airport would have fallen to the rebels "had the operation continued for another 15 minutes," the rebel news service said, quoting the eyewitness.

The AIP also said that four armored vehicles were gutted and that the runway and cluster of buildings inside the perimeter were damaged.

The airport is about three miles west of Jalalabad, provincial capital of Nangarhar Province, on the main highway leading to the Pakistan border town of Tork Ham.

Jalalabad serves as a backup facility to Bagram airbase outside Kabul, the largest Soviet military installation in Afghanistan. Rebel sources said about 400-500 Afghan soldiers are stationed at Jalalabad.

Meanwhile, Soviet forces last week diverted a 300-vehicle convoy from Jalalabad to the fighting area in the Kunar Valley, a vast part of which is reportedly in rebel hands.

The fresh Soviet troops were seen leaving Jalalabad for Asmar

via Surkhrod, the scene of major clashes last week.

Radio Kabul tonight implicitly admitted clashes with "anti-revolutionary elements" in Jalalabad.

Four Soviets Found Dead

Also in Islamabad, western diplomatic sources said four Soviets were found dead with gunshot wounds near an airport building in Kabul and a member of the Parcham (flag) faction of the Communist Party was gunned down by resistance fighters in the Kotesangi district of the capital.

The diplomats said the capital was unusually quiet as the runup to the anniversary of the Soviet intervention was marked by—extra security precautions.

They said the government put all forces on maximum alert to prevent any rebel activity to mark the anniversary.

The sources said troops erected roadblocks and carried out house-to-house searches while police stopped and searched vehicles, causing serious traffic jams. Helicopter gunships and ground forces watched routes frequently used by rebels for sneak attacks on the Soviet embassy and other targets.

IRANIAN DELEGATION CONTINUES MISSION ON TIES WITH AFRICAN NATIONS

Tehran TEHRAN TIMES in English 28 Dec 82 p 2

[Text]

TEHRAN, (IRNA)— The Iranian mission headed by Foreign Ministry Undersecretary in Charge of African and Asian Affairs, Mohammad Hussein Lavasani conferred with Sierra Leone's President, Dr. Siaka Probyn Stevens and expressed hope for expansion of bilateral relations which included the opening of an Iranian Embassy there.

The Iranian mission which is touring five African countries, voiced concern over the Zionist regime's and those of the South African regime's incursion into the African and Arab territories and called for the unity of frontline countries against both expansionist regimes.

The Iranian mission explained Iran's just stands on the Iraqi imposed war on Iran, the Afghanistan problems and

president Khamenei's proposal on opening of a special fund to compensate suspended U.S. contribution to international organizations.

The president of Sierra Leone congratulated the opening of the Iranian Embassy in that country while calling for the expansion of bilateral ties.

The Sierra Leone Trade Minister, Kebbie who was present in the session said 75 percent of his country's people were Moslems and mentioned the two countries close religious, cultural and traditional ties. He said any blow inflicted on Iran, will deprive world Moslems and nations of the Third World of the support to Moslems and combatants of Iran.

Relating his recent trip to Iran, he said he was extremely moved by Tehran's Friday

prayers which was attended by millions of people.

The Iranian mission also met with the Foreign Minister of Sierra Leone, Dr. Abulai Conteh and discussed African Events, the Lebanon situation, the Zionist regime's hegemony, the Afghanistan problem and the two countries cooperation at international level and the strengthening of the Non-Aligned movement.

The Sierra Leone minister called the Iraqi imposed war on Iran, the invasion of Afghanistan and the events in Nicaragua and South Africa a result of the Superpowers egocentric policies and said the Third World is in need of immediate and effective political and economic cooperation and should not depend on the Superpowers to solve its problems.

CSO: 4600/185

APPEAL TO IMAM FOR IRAQI MOSLEM'S RESCUE

Tehran TIMES In English 28 Dec 82 p 1

[Text]

TEHRAN (IRNA) - The Islamic Al-Dawa Party appealed to Imam Khomeini to direct the Islamic Forces of Iran to enter the Iraqi territory for the rescue of the Iraqi Muslims who are facing the worst type of repression under the regime of Saddam.

The appeal was made to the leader of the Islamic Revolution of Iran through a telegram.

The Islamic Al-Dawa Party listed a number of repressions and crimes being carried out by the Saddam regime. It said the Iraqi Muslim revolutionaries are being made to bear the worst type of torture and

pointed out that they are being executed in a very brutal manner.

The telegram to the Founder of the Islamic Republic of Iran said in most of the cases the dead bodies of the Muslim revolutionaries are buried and their relatives are simply given a death certificate.

The Islamic Al-Dawa Party appealed to the Imam to issue directions to the Islamic Forces to free Iraqi Muslims from the yoke of the Baathist regime. The telegram said the Iraqi Muslims combatants were awaiting the orders of the Imam.

CSO: 4600/185

IMAM SADEQ UNIVERSITY INAUGURATED

Tehran KAYHAN INTERNATIONAL in English 3 Jan 82 p 1

[Speech by Ayatollah Mahdavi-Kani]

[Text]

TEHRAN, Jan. 3 (Kayhan Int'l) — On the occasion of the auspicious birth anniversary of the great Prophet of Islam (S.A.W.), the Imam Sadegh University was inaugurated today by Ayatollah Mahdavi Kani.

Minister of Culture and Higher Education and a large group of ministers, Majlis deputies, religious scholars and university professors participated in the inaugural ceremonies.

With the recitation of verses from Quran and the reading of a message from Ayatollah Montazeri, the university which consists of an educational complex alongside which other economic and cultural units will be working was inaugurated. Ayatollah Mahdavi Kani delivered a speech afterwards in which he said, "This educational institute is a unit the

students of which will be graduated in the fields of economics, political science and publicity after passing a general four-year-long period of study in the Islamic learning and a three-year long specialized course."

"From among 5,300 participants in the entrance examination," he said, "about 250 individuals are selected and every year 300 new student will enter the university."

In conclusion, Ayatollah Mahdavi Kani stressed the unity between theological schools and universities and said, "This center has been founded with the initiative of Ayatollah Montazeri and will not put any financial burden on the government."

It should be mentioned that the presidency of Imam Sadegh University will be with Ayatollah Montazeri.

CSO: 4600/183

CHIEF JUSTICE DISCUSSES CHANGES IN SUPREME COURT, LOWER COURTS

Tehran ETTELA'AT in Persian 19 Oct 82 p 3

[Text] In an exclusive interview with the ETTELA'AT newspaper, Ayatollah Seyyed Abdolkarim Musavi Ardebili, the chief justice of the Supreme Court answered the questions posed by our reported on the new activities of the Supreme Court, purges of judges, new set-up of the ministry of justice, modus operandi of public and arbitration courts, the draft for identification of landlords and tenants, new bills and various problems of the judiciary. Ayattollah Musavi-Ardebili, given the commencement of activities of the new organization of the Supreme Court and appointment of the heads and advisors of 16 out of 20 branches of the Supreme Court, which had been initiated along with the third stage of Islamization of the judiciary, would you please explain the programs and modus operandi of the branches of the Supreme Court? He answered: "In the name of God, the Compassionate, the Merciful, we have different branches and sections in the judiciary and the Supreme Court is positioned at its head. With its specific laws, organization and special functions, the Supreme Court must exist and carry out its operations. Previously we had 10 branches in the Supreme Court, each one having 4 members and their own particular way of operation. In accordance with laws passed by the Islamic Consultative Assembly, and approved by the Council of Guardians, we introduced changes in most sections of the Ministry of Justice, including the increase in the number of branches of the Supreme Court, provincialization of the Supreme Court, unipersonalization of the counselors of the Supreme Court and other such matters most of which have been implemented. A limited number of judges, have been pensioned off and the other judges are active in such positions as counselors and deputies. In certain judiciary courts, jurisprudents and clergy were invited to head the courts. Such persons must possess certain qualities, they must have a religious degree or two years' teaching. That is to say if we consider that such a person had 10, 8 or 9 years of experience in studying basics, we conclude that the candidate must have studied theology for a period of 16 years. Such a person could assume the position of president or counselor. A judge with 10 years of judicial experience could also assume such a position if he is familiar with legal and Islamic issues.

Anyhow, at present branches of the Supreme Court have been established in the Tehran justice department and in case of necessity, branches will be formed in the provinces and districts. Presently, we have 20 branches of the Supreme

Court in Tehran and because of a shortage of judges, 16 such branches are operating and have commenced their activities in punitive and legal fields. The other 4 branches will gradually start their activities.

The chief justice of the Supreme Court continued. The first 10 branches will review the existing files numbering approximately 28,000, and the other branches, from 11 to 16, namely 4 branches, will review the files received from today onwards. It was only yesterday that I personally sent the files which had been received [recently] to the branches of the Supreme Court. I am very optimistic about the work of the Supreme Court from the quantitative and qualitative points of view and I hope that God will not turn my optimism to despair. He will, hopefully, inspire more hope."

In reply to the question that with the commencement of the work by the new Supreme Court, whether the high courts of Qom would be dissolved and its files would be turned over to the Supreme Court, Ayatollah Musavi Ardebili stated: The high courts of Qom carry out the final review. Those high courts deal with the examination of the files of the revolutionary courts, which are sent to them and would not be sent to the Supreme Court. Thus the high courts of Qom would retain their status and only those files which are related to ordinary crimes would be dealt with by the branches of the Supreme Court.

In connection with the question of the number of judges affected during the recent purges and number of judges pensioned off, Ayatollah Musavi Ardabili said: We investigated the files of the judges in accordance with the law related to conditions for selection of judges, approved by the Islamic Consultative Assembly.

Since the prestige of people is involved, in the same way that certain types of persons are found in all places and offices, namely a number of people have good reputation and nothing is said about them. There are also a number of persons who are doubtlessly bad. However, there are also a number of persons who are suspects, and we must investigate their records. Thus, despite all difficulties, we carried out the task of investigating and reviewing the files of the judges and presently a number of them have been pensioned off and the remaining are working. At present I do not have accurate statistics on the number of the purged judges.

The chief justice of the Supreme Court stated the following about the modus operandi of civil and arbitration courts: In accordance with the newly approved laws, civil and arbitration courts would undergo changes. Up to the present, what has been done in this context, has been the formation of a briefing session in which heads of the provincial judicial sections had reflected their view-points. Now we must introduce judges for the No 1 and possibly No 2 punitive courts and in some instances judges who are familiar with Islamic issues would be employed in legal courts. Thank God, attraction of forces has been good, and a number of persons have been selected and are undergoing training, and the new judiciary system has been implemented in certain branches of provincial judiciary departments including those in Mashhad, Ardabil, Tabriz and Zanzan.

About the new judiciary bills, the chief justice of the Supreme Court stated: According to my dear brothers in the Council of Guardians, the Supreme Judicial Council spent two years in formulating these laws, thus how is it possible that we [the Council of Guardians] should review and approve those laws within a period of ten days? Our brothers in the Council of Guardians and the Judicial Commission of the Islamic Consultative Assembly have cooperated with us very sincerely, and the recent directive issued by the Council of Guardians has been helpful. This directive had stated that in certain cases codified laws are opposed to religious principles and where laws have not been codified then religious leaders must render assistance and in all other cases previous codified laws must be implemented. We have sent this directive to the branches of the Supreme Court so that the personnel could utilize it. Fortunately this directive has been helpful to a certain extent.

Regarding the draft for the identification of landlords and tenants which is being implemented recently by the Islamic Revolutionary Prosecutor of Tehran. Ayatollah Musavi Ardabili said that: It does not have any financial implications for the landlords and tenants and so far as identification is concerned they themselves claim that it has produced good results. If the results have been good then this is a good project. However the principle of acquittal is another matter. It means for example, you meet a passerby. You cannot regard him as a guilty person, you can only view him as an ordinary person. Such a case refers to the principle of guiltlessness. For example, there is a person in a group of people who is a terrorist and a saboteur and we want to identify and arrest him. Does the principle of guiltlessness say that we should not search and identify this individual? Once we had lodged a complaint against the prosecutors that the town had no security coverage. If our friends had studied the matter they would have known that in this case generalization is abstract and multifarious, and that they should be cautious.

On the whole and in our opinion, the work of the prosecutor has neither been violation of the law nor has it been bad.

9797

CSO: 4640/19

MAJLIS RATIFIES LAND DISTRIBUTION BILL

Tehran TEHRAN TIMES in English 29 Dec 82 p 1

[Text]

TEHRAN (IRNA) - The bill on the distribution and cultivation of fertile lands was ratified with amendments by the Islamic Majlis yesterday.

After the passing of the bill, the Majlis Speaker, Rafsanjani praised the efforts of the deputies, the members of the Agricultural Committee and the minister. Later, Rafsanjani expressed the hope that the bill would further contribute to the economic and social welfare of the Iranian Moslems.

After the pre-agenda speeches in the open session of the Majlis, Rafsanjani recalled the significant role of the Unity Week in the formidable consolidation of the Moslem Umma. He then thanked Ayatollah Montazeri for his innovative proposal concerning the designation of this opportunity for the firmer solidarity among

the Moslem brethren.

According to the same report, the Majlis Speaker then conveyed his greetings and appreciations to the Friday prayer leaders who congregated in Tehran to commemorate the blessed birth anniversary of the Prophet Mohammad (Peace be upon him) on the occasion of Unity Week.

While reiterating the need for unity and solidarity towards further prosperity of the Moslems, Rafsanjani, once again, asserted that the committed Friday prayer leaders all over the Moslem world should inspire the Moslem believers towards a feeling of oneness through persuasive sermons and convincing guidelines.

At the conclusion of his comments, the Speaker paid tribute to the martyr Ayatollah Ghafari on the occasion of his martyrdom.

CSO: 4600/186

WAYS TO CLOSE WIDENING TRADE GAP SUGGESTED

Karachi ECONOMIC REVIEW in English Dec 82 pp 19-22

[Article: "How To Close the Widening Trade Gap?"]

[Text]

Country's foreign trade is giving erratic performance. During 1981-82, while imports increased by 9.4 per cent from Rs. 53,543.7 million in 1980-81 to Rs. 58,565 million in 1981-82 exports declined by 11.1 per cent from Rs. 29,279.5 million to Rs. 26,042.2 million during the same period and the balance of trade widened from Rs. 24,264.2 million to Rs. 32,522.8 million. This means that while in 1980-81, Pakistan's exports could finance about 55 per cent of imports, in 1981-82, this ratio declined sharply to less than 44.5 per cent. Not a happy situation indeed.

Situation does not seem to be happy during 1982-83 either. The figures of imports are not yet available but preliminary export statistics show that these have increased during the first four months (July-October 1982) of the year to about Rs. 7,424 million, i.e. 8.5 per cent above Rs. 6,840 million recorded during July-October 1981. The value of Pakistan rupee in terms of US dollar has dwindled since January 1982 by more than 20 per cent. This means that exports of the value of Rs. 7,424 million during July-October, 1982 are really equivalent to Rs. 5,939 in terms of July-October 1981 exchange rate. Thus if compared in terms of foreign exchange exports during July-October 1982 were about 13 per cent lower than the corresponding period of 1981.

There is little hope of any sizeable recovery in the near future. In addition to world-wide economic recession which is deepening protectionist policies of the market economy countries, Iran-Iraq war and other

factors, exports are not likely to recover significantly. Imports, on the other hand, due to reckless consumption pattern of the country, slow import substitution process, some inflow of foreign capital including direct private investment and above all the IMF pressure to liberalize these, are likely to continue to increase. This means, there is no hope of any balance of trade improvement in the near future. On the other hand there are chances of deterioration.

For the above state of foreign trade, we blame others and there is some justification for it. However, greater responsibility lies with Pakistan itself and its policy makers. The industrialization process of the country has been extremely slow and in a haphazard way. Neither, there have been economic considerations, nor there have been social justice. While, the country completed its first integrated steel mill after 35 years of Independence engineering industry existed before 1947 and continued to expand. Even setting up of different type of heavy industries have no coordinated planning and economic losses are glaring. From supply of basic raw materials coal and iron ore to production of sophisticated machinery, if all demand is met from domestic resources the process is costly and confusing. Basic raw materials are available in Baluchistan and Punjab, steel mill is located at Karachi, heavy machinery complex and forge and foundry are located at Taxila and again machine tool factory at Karachi.

In order to prepare a machine the material in one form or the other would have to travel about 3000 miles of journey and the transport charges would be a very big part of the total cost of production. In this case neither we can compete with other countries whose industrial production has been planned sensibly, in the home market nor in the export market. Hence a continuing foreign trade problem due to our non-economic treatment of the subject.

Pakistan is rich in some quality primary commodities, food items and agricultural and mineral raw materials. However, the process of economic development and growth has been in such a way that processing has not been according to foreign trade requirements. Main defects are: (i) the country has relied excessively on a few commodities for foreign exchange earnings, primary commodities, semi-manufacture and manufactures; (ii) attention has not been paid to establish downstream industries to diversify

production to replace some vital imports and increase value added in exports; and (iii) a few foreign markets have been depended on.

Dependence on a few commodities is highly dangerous in external economic sector. Pakistan's major exports have been rice, raw cotton, cotton manufactures, fish, carpets and rugs, leather, clothing and now engineering goods exports are expanding. Their exports are now being affected. For instance almost entire exports of fine quality rice are confined to Middle East. However, due to Iran-Iraq War and pressure on the balance of payments of these countries, they have reduced their imports. It is understood that Iran, which had agreed in April 1982 to import a specific quantum of rice is not lifting it.

She is unable to lift fine quality rice while irri-6 of Pakistan is stated to be costlier than Thai rice. Is there no way to get out of this problem? Can we not reduce the cost of production of rice, increase subsidy and reduce export price? America is providing \$ 60 billion to its agriculture as subsidy. Exports of rice in quantity terms came down from 1243665 tonnes during 1980-81 to 951,028 tonnes during 1981-82. Further deterioration is anticipated during 1982-83. Exports during the first four months of the year were only 119,652 tonnes against 231,947 tonnes during the same period of 1981-82. During the entire year exports may fall to only 400,000 tonnes or less than one third of the peak attained in 1980-81.

Same is the case with raw cotton. Quantum of exports came down from 325,316 tonnes during 1980-81 to 231,413 tonnes during 1981-82 and value declined from Rs. 5,203 million to Rs. 2,938 million. There is world-wide recession and the cotton textile industry all over the world is in trouble. The domestic cotton textile industry due to a number of reasons is not operating fully. A large number of units are closed and several others are operating at losses. Major factor contributing to the problems of the cotton textile industry is the devaluation of 1972. What would be the impact of delinking in January 1982 on the profit and loss accounts of healthy units is yet to be seen.

The exports of cotton textiles are in a mixed position. While exports of cotton fabrics increased in 1981-82 over 1980-81, those of cotton yarn declined. During 1982-83, the trend appears to have been reversed. During the first four months of the current year, exports of cotton yarn were higher than those re-

corded during the same period of 1980-81, but those of cotton fabrics exhibited a downward trend.

Several problems are associated with the Pakistan textile industry and required to be corrected as soon as possible. Cotton cloth and yarn are sensitive for the developed market economy countries, and there are tariff and non-tariff barriers. These require several actions: (i) Production of blended yarn and cloth should replace pure yarn and cloth as the restrictions abroad on former are less and demand greater; (ii) Downstream industries like cotton garments, made up articles of textiles, towels and tents and canvas and others should be encouraged as increases exports of such products are better; (iii) Dependence on few countries should be reduced and new markets such as Africa and Latin America should be tapped; (iv) technological and industrial research should be encouraged in this industry and the Government as well as industry should contribute to it; (v) Taxation structure should be examined very carefully as with the rise of value added the duty rates rise and discourage improvement.

There was sharp fall in the export of carpets and rugs during 1981-82 and during the first four months of 1982-83 if compared to the same period of 1981-82. World-wide economic recession and Iran-Iraq war are responsible for it. Efforts should be made to tap new markets such as African OPEC countries and Latin America. Leather exports have some problems also. These are fluctuating for the last three years. Efforts should be made to replace all exports of blue wet leather by finished leather and leather products.

Finally, there is one basic problem with the foreign trade of Pakistan. Here religious and cultural considerations are preferred to economics. This is wrong. Even enemies like Russia and USA trade with each other. Economic and commercial matters should be considered on merit and not subjected to non-economic elements. Pakistan's trade relations with some non-Muslim countries are better than with some Muslim countries. Nevertheless, political relations should be used for promoting economic relations.

The Six Year Plan is in the making. Foreign trade and development should receive coordinated attention. Further development should promote exports and replace imports and trade as a whole should contribute to economic growth. — Abdul Majeed Khan

ZIA'S FOREIGN VISITS--SATISFACTION EXPRESSED

Karachi MORNING NEWS in English 5 Jan 83 p 4

[Editorial: "Objectives Achieved"]

[Text]

PRESIDENT Zia-ul-Haq's address to the nation telecast on Sunday night turned out to be a lucid expose of his recent tours: two journeys of friendship and goodwill, one to attend the funeral rites of the late President Brezhnev in Moscow. His first journey took him beyond the snows of Karakorum to the People's Republic of China and then to the land of Juche idea: North Korea. His second tour began on a very hopeful note when he met Mrs Indira Gandhi in New Delhi and the Indo-Pakistan relations moved a step forward towards an era of better understanding and friendship. Then he arrived in Thailand on his way to Indonesia. From here he went to Malaysia and Singapore, thus reiterating the non-aligned status of the ASEAN countries once again. His hour-long meeting with Mr Andropov in Moscow sparked off a spate of speculation amidst the diplomatic circles in regard to Afghanistan crisis. President Zia reached Washington where he had a series of frank and straight forward discussions with the Reagan Administration, American Senators and Congressmen on the issues having national and international bearing. On the last leg of his journey, he visited Canada and had crucial discussion over Sandak copper deposits besides clearing the lurking misunderstandings about the supply of nuclear fuel.

However, the much publicised and over-maligned issue of Pakistan allegedly manufacturing the so-called "Islamic bomb", remained the most vital point of discussion, and the President succeeded in impressing on the leaders of these countries that Pakistan never intended to manufacture an atomic bomb in the first place and had always been pleading in the UN for declaring South Asia and the Indian Ocean as a nuclear-arms-free zone and was ready to present its own nuclear research programme for international inspection. Pakistan was

only worried about its energy needs which, in fact, was the result of economic compulsions. However, President Zia made it known in specific terms that "Pakistan would go ahead with its nuclear programme relying on its own resources and courage" in case any international pressure was applied to deter it. It was explained to international audience through news media etc that Pakistan was a non-aligned Islamic country which wanted to establish peaceful and friendly relations with all the countries based on the principles of mutual respect. Pakistan's friendly relations with one country would not be allowed to adversely affect those which it has with another country. Pakistan wanted to live in peace with honour and dignity and wished the same for others. During his telecast speech President Zia paid tributes to the "heroic struggle of the Afghan people for freedom and independence" and remarked that they had set glorious traditions of patriotism and sense of sacrifice and valour. Their struggle, he maintained, was a bright spot in the history of the world, for which "the entire world salutes them." He said that the Afghan issue was alive both in the USA and Canada and there was respect for their "spirit of patriotism and freedom."

As regard Pakistan's defence requirements President Zia informed the audience that the US had assured that the bilateral agreement on defence needs and economic aid would be honoured. It was absolutely essential for Pakistan, he explained, to meet its defence requirements and what Pakistan needed for its defence "it was for Pakistan to decide and it did not need anybody's advice in this respect". Similarly, the President told the viewers on TV, he discussed many other problems including the Middle Eastern situation which he felt had entered a stage never more suitable for a peace initiative and, therefore, efforts for seeing a solution based on the right of self-determination of Palestinians must be accelerated. "But key to an amicable solution was with Washington" he observed. As regards his talks in Moscow, President Zia's impression was that Soviet Union's new leadership would appreciate Pakistan's viewpoint that it was a political issue and needed a peaceful settlement which Pakistan would never agree to bargain on principles. He repeated his earlier assertion that "the key to Afghanistan issue lies in Moscow" and the Moscow leadership was likely to bring freshness in its approach. His meeting with Mrs Indira Gandhi "was very important and meaningful and it is hoped it would produce useful results and would lead to mutual peace on the basis of equality."

After giving such detailed report of his tours and highlighting the significant points which emerged during the discussion which he held with various heads of states, President Zia-ul-Haq felt that the

enhanced prestige which Pakistan was enjoying in these countries was the result of the strengthened link with Islam, its basic ideology. He forcefully pleaded for inculcating national awareness, sharpening spirit of patriotism, and collective discipline in the country and emphasised that this was "at present the country's foremost need, deserving the nation's wholehearted attention."

CSO: 4200/291

RECENT EXPORT PERFORMANCE EXAMINED

Karachi ECONOMIC REVIEW in English Dec 82 pp 84-86

[Article by Yousuf Zia: "Pakistan's Export Performance in Recent Years"]

[Text]

A developing country like Pakistan depends to a great extent on foreign trade and aid. In view of our poor capacity to generate savings due to low per capita income it is necessary to borrow capital in order to increase our production which may lead to improvement in standards of living of the masses. But borrowed funds have to be repaid. That we can only do by increasing our exports. Fortunately, due to our satisfactory economic performance we have been receiving foreign exchange regularly and our export performance has also been reasonable specially during the last few years. In fact our exports increased from Rs. 11.2 billion in 1976-77 to Rs. 29.2 billion in 1980-81 which gives an average annual growth rate of 40 per cent. However, during the last year namely 1981-82, our exports registered a decline of about 11 per cent compared to the level reached in the previous year. The exports for the year 1981-82 stood at Rs. 26 billion. Now the average annual growth rate for the last 5 years has come down to 26 per cent only.

In spite of our improved export performance during the last few years our balance of trade has remained adverse and the gap between imports and exports has continued to widen. This widening gap has been mainly due to the ever increasing prices of imported goods specially high oil prices. Our oil imports have increased from Rs. 4.9 billion to Rs. 16.6 billion which is equivalent to 60 per cent of our exports in 1981-82.

The balance of payment situation during the year 1981-82 was seriously affected by deepening world recession, a crash in the demand for and the price of cotton, appreciation in the value of the US dollar in the first half of the year and slow down in the flow of home remittances. For the first time in several years, world trade declined owing to the intensification of recession and protectionism in developed market economies. The general recession was accompanied by an exceptionally sharp fall of 30 per cent in cotton prices. With the demand for rice, the other main export commodity from Pakistan, also sluggish and exports of manufactures being affected by the link of the Rupee with the appreciating Dollar, the earlier growth trend in export earnings was reversed.

In view of the situation that has developed and which is likely to remain unchanged for the next few years it is imperative that our exports should increase so that the trend of the widening gap in the balance of trade is halted and ultimately reversed.

In order to increase exports a concerted effort would have to be made not only to keep the policies of the Government under review but the performance of the various government agencies concerted effort would have to be made not policies which affect the entire spectrum of exports at various stages would have to be improved with experience.

The business community who are mainly engaged in exports would also have to improve their performance considerably specially with regard to quality of their products, the price structure as well as in various other areas of execution of orders like timely deliveries etc.

Exports During 1981-82

The total exports in 1981-82 stood at Rs. 26 billion as against Rs. 29 billion for the previous year thus showing a decline of 11 per cent. The decline in export value was mainly in respect of the following items.

Items	Decrease Per cent
i. Raw Cotton	43
ii. Rice	26
iii. Carpets and Rugs	22
iv. Molasses	19
v. Paints and Varnishes	22
vi. Cotton Thread	19
vii. Cotton Bags	6
viii. Art Silk and Synthetic Textiles	70
ix. Towels	5
x. Leather Footwear	16
xi. Other Footwear	74
xii. Surgical Goods	5

From the foregoing information it will be gleaned that the overall decline was mainly due to lower volume of most exports which were effected excepting for raw cotton, rice, carpets and paints and varnishes. Where the prices received had also declined compared to the earlier year. It may be mentioned that the world prices for commodities like raw cotton and rice depend on world production and total demand. Unfortunately the trend throughout the seventies was for a continued decline in the commodity prices. Since substantial portion of our exports (in fact 30% to 40%) consist of primary commodities, we cannot overcome the underlying weakness of our overall export mix. There has been a suggestion in some quarters that if the export of raw cotton and rice is thrown open to the private sector also there might be some improvement in the prices obtained for these commodities and the volume may also go up.

While the fall in value was as mentioned above there was also a decline in the volume of some of the items given in the following table:-

Items	Decrease Per cent
i. Raw Cotton	29
ii. Rice	23
iii. Carpets and Rugs	19
iv. Paints and Varnishes	5
v. Cotton Thread	22
vi. Cotton Bags	4
vii. Art Silk and Synthetic Textiles	73
viii. Towels	11
ix. Leather Footwear	22
x. Other Footwear	80

Moreover, even though the volume of molasses increased by 50 per cent, the earnings from this item declined due to a sharp fall in prices.

A large number of items also showed an increase both in volume and value. This would be clear from the following table:-

Items	Increase in Value	Increase/ Decrease in Volume
Fish and Fish Preparation	41	23
Petroleum and Petroleum Products	22	(-) 1
Guar and Guar Products	6	15
Raw Wool	125	114
Tents and Canvas	3	9
Readymade Garments	61	—
Canvas Footwear	8	(-) 5

Another aspect of our export trade in 1981-82 was that decline was recorded in value of exports to all regions Western Europe (excluding EEC and EFTA) and Oceania. The main decline was in exports to African countries (28 per cent) followed by Asian countries (21 per cent), Eastern Europe (9 per cent), American Region (9 per cent), EFTA (8 per cent), EEC (1 per cent) and the Middle East (4 per cent). The increase in exports to Western Europe and Oceania was substantial but the overall value of exports to these regions is small and accounted for 2.5 per cent of our export trade only. The foregoing narrative makes it quite clear that there has been an overall decline in our export trade to various

regions. This is partly explained by the continued stagflation in developed countries and partly due to overall recessionary situation that has developed which has caused an overall decline in the world trade.

The decline that has become noticeable in exports has to be overcome through concerted efforts on the part of all concerned. The Government has provided a large number of incentives which have encouraged exports of non-traditional items, the list of which continues to grow. This is an encouraging sign. The Government allows export rebate on a large number of items and income from exports upto 55 per cent is exempt from income tax. Besides that export finance is available on concessionary rates of interest which is 3 per cent on most items of exports and is only 2 per cent on engineering goods. Other measures include sending of trade delegations to different regions of the world for market exploration, single country exhibitions to introduce our products abroad, participation in international trade fairs and exhibitions and opening of offices for exports abroad by the Pakistani businessmen. Steps were also being taken to improve the quality of goods and the government was thinking of setting up of institutions for quality control.

Export Promotion Measures

At this stage it would be desirable to discuss various incentives in greater detail. The Government allows compensatory rebates on the export of cotton textiles and a number of other items like engineering goods, sports goods, cutlery, surgical goods, canvas footwear, acetate and filament yarn. Apart from that rebate of indirect taxes is allowed on a number of exportable items. The number of standard items for customs duty rebate have gone upto 123, the number of items for excise duty rebate is now 32 and that for sales tax rebate is 37. These rebates cover majority of manufactures exportable goods, i.e. cotton yarn, cotton cloth, blended fabrics, shoes, cigarettes, carpets, woollen shawls, towels, readymade garments, hosiery, sports goods, surgical instruments, cutlery, leather articles, etc. Moreover, a total of 32 items of engineering goods have also been placed on stan-

dard, rebate of customs duty which include such items as bicycles, sewing machines, electric fans, transformers, switch gears, insulators, fuses, spinning and twisting rings and spindles, etc.

Export Finance

Export finance scheme allows many concessions. Maximum rate of interest to be charged by the banks from the exporters is 3 per cent on all manufactured goods and 2 per cent for engineering goods. Export of all commodities except raw cotton, wool, rice, hides and skins and leather wet blue are eligible for such concessionary finance.

Duty-Free Imports

Another method by which exports are encouraged is to allow duty-free imports of machinery to a number of export oriented industries for balancing, modernisation and replacement. Industries to which this concession applies include those for textile-processing, cutlery, surgical goods, sports goods, shoe making, leather tanning, leather garments, gloves, towels hosiery and garment making.

De-linking The Rupee

During the year 1981-82 the scope of compensatory rebate scheme was further expanded to cover leather goods, hand-knotted carpets, PVC and fibre glass products, wooden launches, water-coolers and artificial leather. Another measure for export promotion which was lately was de-linking of the Rupee from the Dollar from 9th January, 1982. One of the main reasons for a slow down of our exports was the appreciation in the exchange rate of the Dollar with which our currency was previously linked. Since January the Government has linked the Rupee with a basket of currencies with the view of improving the competitive strength of a number of traditional and non-traditional commodities.

Export Trophy Awards

The Federation of Pakistan Chambers of Commerce and Industry has been active all along to promote exports. Several steps have been taken for the purpose. In the Federation, a number of standing committees deal with various aspects of

the national economy. One of these committees deal with various aspects of the national economy. One of these committees deals directly with export trade. Also representatives of the Federation are the members of several Advisory and Consultative Bodies of the Governments. They advise the Government on various aspects of the economy including export promotion.

Conclusion

The various policy measures adopted by the government and incentives that have been provided have enabled our exports to increase at a satisfactory rate. Of special importance is the contribution of the non-traditional items to the value of our exports. Some of those items which are making increasing contribution are carpets, leather goods, petroleum products and textile made-ups. A large number of other items have also emerged which makes sizeable contribution to our export list. It is necessary that existing incentives should not only be continued but should be enlarged. It is also necessary on the part of the business community to look for new markets and to emphasize the export of non-traditional items to new markets especially in the developing countries. It is only through ceaseless efforts to promote our exports that the growth effort that the country is making can be sustained.

CSO: 4200/291

TERMINAL II COLLAPSE--PEOPLE RESPONSIBLE TO BE PROSECUTED

Karachi MORNING NEWS In English 31 Dec 82 p 10

[Text]

The Secretary-General of Defence and Chairman of the PIAC Maj-Gen (retd) M. Rahim Khan, has said that "some people will be prosecuted for malpractices in the award of contract and faulty designing of Terminal-II Building at Karachi airport, which collapsed in July this year".

In an interview with PPI here yesterday the Defence Secretary-General said the whole case was being handed over to the Federal Investigation Agency (FIA) to look into the malpractices and recommend prosecution against those responsible.

He said the inquiry commission appointed by the Government to probe into the causes of collapse of Terminal-II Building had in its final report pinpointed certain defects in the award of contract and faulty designing of the project.

Asked whether MLR-52 prohibiting trade union activity in the national airline would be exten-

ded or lifted today the PIAC Chairman said that an official announcement in this regard would be made today. He, however, said that the employees were being better looked after without the cover of the union. It may be recalled that MLR-52 was promulgated in August last year, under which all trade union activities in PIA were banned.

He disclosed that a decision on the purchase of two second-hand aircraft for the national carrier would be taken in the next fortnight. He said the PIA had given various options to the Federal Ministry of Finance in respect of purchasing two second-hand aircraft. He explained that as a result of "glut in the international aircraft industry" virtually new aircraft of 1979-80 make were available in the market at half the price.

Referring to his recent visit to Saudi Arabia and some Gulf states, he said he held discus-

sions with high officials of these brotherly Muslim states on ways of increasing mutual cooperation. These included training facilities for their personnel in the field of civil aviation, etc.

Maj-Gen (retd) Rahim Khan said he had called a high-level meeting here today to review the working of PIA stations in Saudi Arabia and Gulf states.

He replied in the negative when asked whether PIA had been officially informed about the reported move by the Bahrain-based Gulf Air directing all IATA travel agents in the Gulf region to choose between selling its tickets and those of the PIA. "When the implied threat translates into reality we will deal with it".

The PIAC Chairman, however, said that there had been no adverse effect on PIA sales in the Gulf region following the reported move by Gulf Air. "In fact, the matter had been blown over", he added.—PPI

CSO: 4200/291

ADDITIONAL ROAD PLANNED FROM KARACHI TO PESHAWAR

Karachi MORNING NEWS in English 5 Jan 83 p 1

[Text]

The additional carriageway along the existing alignment of national highways will be constructed during the Sixth Plan period to facilitate road transportation in the country.

The private sector will be induced to finance and participate in this gigantic road-building programme starting from Karachi to Peshawar which is estimated to cost Rs. 7,200 million.

The Directorate-General of the National Highways has prepared a report concerning this project.

It will take seven years to complete construction of 1,542 kilometre-long road.

The report said such a big project involving huge investments could not be financed entirely by the Government.

It was, therefore, suggested that the private sector should be induced to participate in the financing of this road construction project.

A number of local and foreign investors have already shown interest in financing road construction projects.

According to Directorate-General of National Highways an entrepreneur from a Gulf State has approached the Government of Pakistan expressing willingness to invest 250 million dollars on the construction of additional carriageway from Karachi to Peshawar, while Islamabad based branch of a foreign bank has offered to invest Rs. 2,500 million on this project.

The proposal is currently under the consideration of the Federal Government.

CSO: 4200/291

BRIEFS

HIJACKERS SENTENCED IN ABSENTIA--Three hijackers of a PIA Boeing, Salamullah alias Tipu, Nasir Jamal and Arshad Ali, were convicted, in absentia, for committing an armed robbery in Federal "B" Area on Nov 30, 1980. They were sentenced to rigorous imprisonment for one year, 15 lashes and Rs. one million fine each for committing armed robbery. The amount of fine is recoverable as arrears of land revenue. They were tried, in absentia, by a Summary Military Court in Karachi and the judgment was announced yesterday. The hijackers attacked a police patrol in Federal Capital Area as they tried to check them. They snatched two 303 rifles with 20 live rounds from the policemen and fled away. Liaquatabad police had registered a case of armed robbery against the accused who hijacked the PIA Boeing to Kabul and then to Damascus on March 3, 1981. Similarly, three other accused, namely, Yousuf Khagga s/o Saiyan, Khalid Masood and Mohammad Khan s/o Foad, were also tried in absentia under MLR-31. They were sentenced to one year rigorous imprisonment and a fine of Rs. five lakhs each. All the accused were involved in smuggling watches, radios, tape-recorders and other electronic goods. [Karachi DAWN in English 4 Jan 83 p 3]

PLEA FOR LEADER'S RELEASE--About a dozen political leaders in a joint statement in Karachi yesterday expressed "grave concern" at the alleged deteriorating state of health of Maulana Fazlur Rahman, Secretary-General of the defunct Jamiat-i-Ulema-i-Islam (JUI), and called for his immediate release. The statement said that the Maulana was being kept in 'C' class in Dera Ismail Khan jail. Besides, no proper treatment was available to him, nor are his friends or relatives allowed to meet him. The signatories include Khwaja Khairuddin and Mr. Mairaj Mohammad Khan, Secretary-General and Assistant Secretary-General respectively of the MRD; Mr. Mushtaq Mirza (PDP), Mr. Abid Zuberi (NDP), Maulana Mohammad Shah Amrothi (JUI), Mr. Nafees Siddiqui (Tehrik-i-Istaqlal), Mr. Alamdar Haider (Qaumi Mohaz-i-Azadi) and Qari Sher Afzal (JUI). [Karachi DAWN in English 4 Jan 83 p 9]

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